

**WASATCH COUNTY**  
**Financial Statements**  
**and Supplementary Information**  
December 31, 2006

**WASATCH COUNTY**  
**Financial Statements**

Year Ended December 31, 2006

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# WASATCH COUNTY

## Financial Statements

Year Ended December 31, 2006

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# WASATCH COUNTY

## Financial Statements

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**INDEPENDENT  
AUDITORS'  
REPORT**



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## INDEPENDENT AUDITORS' REPORT

Honorable County Council Members  
Wasatch County  
Heber City, Utah

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Wasatch County as of and for the year ended December 31, 2006, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of Heber Valley Special Service District, which represents 12 percent and 3 percent, respectively, of the assets and revenues of the discrete component units – proprietary fund type. We also did not audit the Blue Bench Landfill, which represents 100 percent of the joint venture with Duchesne County. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for Heber Valley Special Service District and the Blue Bench Landfill, is based on the reports of other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Wasatch County as of December 31, 2006, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 31, 2007, on our consideration of Wasatch County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on

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the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis, condition assessment of the County's infrastructure and budgetary comparison information on pages MDA-1 through MDA-8, 45 and 46 through 49, respectively, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise Wasatch County's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Hawkins Cloward & Simister, LC*

HAWKINS CLOWARD & SIMISTER, LC  
CERTIFIED PUBLIC ACCOUNTANTS

May 31, 2007

**MANAGEMENT'S  
DISCUSSION  
AND ANALYSIS**



# MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion of Wasatch County's financial performance provides an overview of the County's financial activities for the year ending December 31, 2006. This report is in conjunction with the County's financial statements. All amounts, unless otherwise indicated, are expressed in **thousands of dollars** from pages MDA-1 to MDA-8.

The purpose of the County is to provide general services to its residents, which include general government, public safety, public health, highways and public improvements, park and recreation, and economic development. Additional services provided to residents in the unincorporated areas include road maintenance and fire control.

## Financial Highlights

- The assets of Wasatch County exceeded its liabilities as of the close of the most recent year by \$65,832 (net assets). Of this amount \$10,700 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets increased by \$5,710.
- The revenues were more and the expenditures were less than the adopted budgeted amounts.
- At the close of the current year, the Wasatch County governmental funds reported combined ending fund balances of \$13,611, an increase of \$2,546 in comparison with the prior year. Approximately 44 percent of this total amount, \$6,036 is available for spending at the government's discretion (unreserved fund balance).
- At the end of the current year, unreserved fund balance for the general fund was \$6,036 or 48 percent of total general fund expenditures.

## Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Wasatch County's basic financial statements. Wasatch County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

### Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of Wasatch County's finances, in a manner similar to a private-sector business.

The statement of the net assets presents information on all of Wasatch County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of Wasatch County is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of Wasatch County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of Wasatch County include general government, public safety, public health, highways and public improvements, parks and recreation, and economic development. The business-type activities of Wasatch County include solid waste services, sewer, road maintenance, municipal and industrial water and also secondary water for supplemental and agricultural purposes.

The government-wide financial statements include not only Wasatch County itself (known as the primary government), but also five legally separate special service districts for which Wasatch County is financially accountable. They include Heber Valley Special Service District, Jordanelle Special Service District, Timberlakes Water Special Service District, Wasatch County Fire Protection Special Service District and Wasatch County Special Service District #9 (Mineral lease monies). Financial information for these component units is reported separately from the financial information presented for the primary government itself and may be obtained in the management and discussion analysis of each individual component unit.

Refer to the table of contents for the location of the government-wide financial statements.

### **Fund financial statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Wasatch County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Wasatch County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

### **Governmental funds**

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Wasatch County maintains seventeen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, which is considered to be major funds. Data from the other sixteen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Wasatch County adopts an annual appropriated budget for all its governmental funds. Budgetary comparison statements have been provided for the general fund to demonstrate compliance with those budgets.

Refer to the table of contents for the location of the basic governmental fund financial statements.

#### **Proprietary funds**

Wasatch County maintains eight individual business-type funds. Information is presented separately in the proprietary funds statement of net assets and in the proprietary funds statement of revenues, expenses, and changes in fund net assets for the Solid Waste special service district, Twin Creeks special service district, and North Village special service district all of which are considered to be major funds. Data from the other four proprietary funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major proprietary funds is provided in the form of combining statements elsewhere in this report.

Refer to the table of contents for the location of the basic proprietary fund financial statements.

#### **Fiduciary funds**

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support Wasatch County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Refer to the table of contents for the location of the basic fiduciary fund financial statements.

#### **Notes to the financial statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes are part of the basic financial statements.

#### **Other information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning Wasatch County.

The combining statements referred to earlier in connection with non-major governmental funds and proprietary funds are presented immediately following the required supplementary information.

### Government-wide financial analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Wasatch County, assets exceeded liabilities by \$65,832 at the close of the most recent fiscal year.

By far the largest portion of Wasatch County's net assets (71 percent) reflects its investment in capital assets (e.g. land, buildings, machinery, equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. Wasatch County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Wasatch County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

	Governmental Activities		Business-type Activities		Total	
	2006	2005	2006	2005	2006	2005
Current and other assets	15,374	12,957	15,959	6,863	31,333	19,820
Capital assets	52,790	52,950	19,255	18,105	72,045	71,055
Total assets	68,164	65,907	35,214	24,968	103,378	90,875
Long-term liabilities outstanding	13,306	15,647	19,276	7,409	32,582	23,056
Other liabilities	2,500	2,487	2,465	5,210	4,965	7,697
Total liabilities	15,806	18,134	21,741	12,619	37,547	30,753
Net assets						
Invested in capital assets						
net of related debt	38,749	36,590	7,833	8,165	46,582	44,755
Restricted	6,390	4,294	2,160	1,066	8,550	5,360
Unrestricted	7,220	6,889	3,480	3,118	10,700	10,007
Total Net Assets	52,359	47,773	13,473	12,349	65,832	60,122

### Wasatch County's Net Assets

A portion of Wasatch County's net assets (13 percent) represents resources that are subject to external restrictions on how they may be used.

At the end of the year, Wasatch County is able to report positive balances in all three categories of net assets.

### Governmental activities

Governmental activities increased Wasatch County's net assets by \$4,586. Key elements of this increase are as follows:

#### Wasatch County's Changes in Net Assets

	Governmental Activities		Business-type Activities		Total	
	2006	2005	2006	2005	2006	2005
<b>Revenues:</b>						
Program Revenues:						
Charges for services	7,857	6,812	5,101	6,144	12,958	12,956
Operating grants and contributions	3,498	3,905	57		3,555	3,905
Capital grants and contributions	374	282			374	282
General Revenues:						
Property taxes	7,487	7,002			7,487	7,002
Other taxes	2,791	2,346			2,791	2,346
Grants and contributions not restricted to specific programs					-	-
Unrestricted investment earnings	414	122	217	61	631	183
Miscellaneous revenues	1,159	1,719	611	1,128	1,770	2,847
Total revenues	<u>23,580</u>	<u>22,188</u>	<u>5,986</u>	<u>7,333</u>	<u>29,566</u>	<u>29,521</u>
<b>Expenses:</b>						
General government	6,192	5,389			6,192	5,389
Public Health	2,260	2,341			2,260	2,341
Public Safety	5,479	5,180			5,479	5,180
Streets and public improvements	1,780	1,790			1,780	1,790
Parks and Recreation	1,538	1,360			1,538	1,360
Economic Development	668	556			668	556
Intergovernmental	312	248			312	248
Interest on long-term debt	765	795			765	795
Solid Waste SSD			2,116	1,716	2,116	1,716
Twin Creeks SSD			719	669	719	669
North Village SSD			542	431	542	431
Wasatch Co. Fire Protection SSD			1,100	1,039	1,100	1,039
Other business-type activities			385	402	385	402
Total expenses	<u>18,994</u>	<u>17,659</u>	<u>4,862</u>	<u>4,257</u>	<u>23,856</u>	<u>21,916</u>
Increase/(decrease) in net assets	4,586	4,529	1,124	3,076	5,710	7,605
Net assets - beginning	<u>47,773</u>	<u>43,244</u>	<u>12,349</u>	<u>9,273</u>	<u>60,122</u>	<u>52,517</u>
Net assets - ending	<u>52,359</u>	<u>47,773</u>	<u>13,473</u>	<u>12,349</u>	<u>65,832</u>	<u>60,122</u>

**Business type activities**

Business-type activities had an increase of \$2,303 in net assets for the year.

**Financial Analysis of the Government's Funds**

As noted earlier, Wasatch County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds**

The focus of Wasatch County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing Wasatch County's financing requirements. In particular unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

At the end of the year, Wasatch County's governmental funds reported combined ending fund balances of \$13,611, an increase of \$2,546 in comparison with the prior year. Approximately 44 percent of this amount (\$6,036) constitutes unreserved fund balance, which is available for spending at the government's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed.

The general fund is the chief operating fund of Wasatch County. At the end the current year, unreserved fund balance of the general fund was \$6,036. As a measure of the general fund's liquidity, it may be useful to compare unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 48 percent of total general fund expenditures.

**Proprietary funds**

Wasatch County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the proprietary funds at the end of the year amounted to \$3,480.

**General Fund Budgetary Highlights**

Differences between the original budget and the final amended budget of \$1,282 can be briefly summarized as follows:

- \$904 increase in general government
- \$179 increase in public safety
- \$85 increase in streets and public improvements
- \$35 increase in conservation and economic development
- \$18 increase in intergovernmental expenditure
- \$61 increase in miscellaneous expenditure

This increase of \$1,282 was funded with an increase in taxes, licenses & permits, charges for services, and other miscellaneous revenues.

## Capital Asset and Debt Administration

### Capital assets

Wasatch County's investment in capital assets for its governmental activities as of December 31, 2006, amounts to \$52,790 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings, equipment, and infrastructure, which includes roads, highways, bridges, and construction in progress. The total decrease in Wasatch County's investment in capital assets for the current year was \$2,169.

Also, the county has elected to use the modified approach to account for its infrastructure assets, such as roads and bridges. That information can be found in the required supplemental information following the notes to the financial statements.

### Wasatch County's Capital Assets (net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2006	2005	2006	2005	2006	2005
Land	8,071	8,071	4,380	4,380	12,451	12,451
Infrastructure	24,256	24,298	8,151	8,260	32,407	32,558
Buildings & improvements	17,386	14,522	3,694	3,815	21,080	18,337
Equipment	3,077	3,413	1,028	1,197	4,105	4,610
Construction in progress		2,646	2,002	453	2,002	3,099
Total	<u>52,790</u>	<u>52,950</u>	<u>19,255</u>	<u>18,105</u>	<u>72,045</u>	<u>71,055</u>

Additional Information on Wasatch County's capital assets can be found in the notes to the financial statements.

### Long-term debt

At the end of the current year, Wasatch County had total bonded debt outstanding of \$23,427. The debt represents both general obligation bonds and revenue bonds secured solely by specified revenue sources (i.e. revenue bonds).

### Wasatch County Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2006	2005	2006	2005	2006	2005
Revenue bonds	4,420	4,570	10,535	4,203	14,955	8,773
General obligation bonds	8,472	10,493			8,472	10,493
Other notes payable	1,028	1,125	88	148	1,116	1,273
Capital leases	33	58	2,223	2,354	2,256	2,412
Total	<u>13,953</u>	<u>16,246</u>	<u>12,846</u>	<u>6,705</u>	<u>26,799</u>	<u>22,951</u>

State statutes limit the amount of general obligation debt a governmental entity may issue to 2 percent of its total fair market value of taxable property in the county. The current debt limitation for Wasatch County is \$48,068. Wasatch County has general obligation debt of \$8,472.

Additional information on Wasatch County's long-term debt can be found in the notes of the financial statements.

**Requests for Information**

This financial report is designed to provide a general overview of Wasatch County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Wasatch County Auditor, 25 North Main, Heber City, Utah 84032.



**BASIC  
FINANCIAL  
STATEMENTS**

**WASATCH COUNTY**  
**Statement of Net Assets**  
December 31, 2006

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
ASSETS				
Cash and Cash Equivalents	8,458,243	3,636,306	12,094,549	2,958,943
Restricted Cash and Cash Equivalents	593,947	2,947,192	3,541,139	20,514,653
Prepaid Expenses				170,640
Investment		680,080	680,080	
Receivable with Treasurer	3,523,155	104,311	3,627,466	
Accounts Receivable - Net	2,071,534	915,360	2,986,894	2,215,435
Special Assessment Receivable		7,538,234	7,538,234	33,729,789
Internal Balances	49,944	(49,944)		
Due From Other Governmental Entities	288,433		288,433	
Deposits	389,118			
Bond Issuance Costs		187,401	187,401	1,443,298
Other Assets				23,689
Capital Assets (Net of Accumulated Depreciation):				
Land, Easements, and Water Rights	8,070,856	4,379,710	12,450,566	33,179,267
Infrastructure - Nondepreciable	23,331,336	779,628	24,110,964	
Buildings & Improvements	17,385,682	3,694,243	21,079,925	22,200,238
Machinery & Equipment	3,076,938	1,028,461	4,105,399	5,210,019
Infrastructure - Depreciable	925,071	7,371,295	8,296,366	25,021,394
Construction in Progress		2,002,035	2,002,035	17,553,904
Total Assets	68,164,257	35,214,312	102,989,451	164,221,269
LIABILITIES				
Accounts Payable	780,278	195,742	976,020	1,367,680
Accrued Payroll and Benefits	4,981	30,808	35,789	63,105
Accrued Interest Payable	89,257	201,717	290,974	1,528,276
Bonds and Deposits Held	445,245		445,245	
Inmate Deposits	4,957		4,957	
Due to Other Governmental Entities	126,267	337,859	464,126	224,035
Deferred Revenue - Current		407,088		952,394
Deferred Assessment Revenue - Current		460,568	460,568	370,789
Certificates of Participation - Current				194,000
Revenue Bonds Payable - Current	258,800	669,233	928,033	5,027,700
G.O. Bonds Payable - Current	668,000		668,000	
Capital Leases Payable - Current	24,687	130,658	155,345	
Notes Payable - Current	97,535	31,208	128,743	5,968
Other Liabilities - Current				219,090
Accrued Compensated Absences	399,861	66,686	466,547	99,921
Interim Warrants - Noncurrent				5,745,304
Deferred Revenue - Noncurrent		7,600	7,600	
Deferred Assessment Revenue - Noncurrent		7,077,666	7,077,666	33,359,000
Certificates of Participation - Noncurrent				3,336,000
Revenue Bonds Payable - Noncurrent	4,160,900	9,865,796	14,026,696	35,892,400
G.O. Bonds Payable - Noncurrent	7,804,000		7,804,000	
Notes Payable - Noncurrent	930,145	57,088	987,233	10,323
Capital Leases Payable - Noncurrent	7,938	2,091,947	2,099,885	335,000
Other Liabilities - Noncurrent	2,745	110,000	112,745	9,000
Total Liabilities	15,805,596	21,741,664	37,140,172	88,739,985
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	38,748,621	7,877,716	46,626,337	62,300,342
Restricted For:				
Municipal Services	807,147		807,147	
Capital Projects	1,899,387	1,484,876	3,384,263	6,116,033
Debt Service	2,635,433	594,716	3,230,149	6,109,699
Other Purposes	1,048,591	79,863	1,128,454	1,052,767
Unrestricted	7,219,960	3,435,477	10,655,437	(97,557)
Total Net Assets	52,359,139	13,472,648	65,831,787	75,481,284

# WASATCH COUNTY Statement of Activities

For the Year Ended December 31, 2006

Function/Programs Primary Government:	Program Revenues				Net (Expense) Rev & Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions		Governmental Activities	Primary Government Business-type Activities	
			Grants	Capital Contributions		Activities	Component Units
Governmental Activities:							
General Government	6,191,532	4,060,493	996,579		(1,134,460)		(1,134,460)
Public Health	2,260,465	416,719	1,485,297	3,585	(354,864)		(354,864)
Public Safety	5,478,572	2,494,103	293,084	370,789	(2,320,596)		(2,320,596)
Streets and Public Improvements	1,780,398	331,887	714,919		(733,592)		(733,592)
Parks, Recreation, and Public Property	1,538,011	418,428	8,472		(1,111,111)		(1,111,111)
Conservation & Economic Development	668,410	101,558			(566,852)		(566,852)
Intergovernmental	312,256	33,334			(278,922)		(278,922)
Interest on Long-term Debt	765,020				(765,020)		(765,020)
Total Governmental Activities	18,994,664	7,856,522	3,498,351	374,374	(7,265,417)		(7,265,417)
Business-type Activities:							
Solid Waste Special Service District	2,115,930	2,088,499				(27,431)	(27,431)
Twin Creeks Special Service District	718,937	729,620				10,683	10,683
North Village Special Service District	542,198	499,202				(42,996)	(42,996)
Wasatch County Fire Protection SSD	1,100,146	1,277,683	56,647			234,184	234,184
Other Business-type Activities	385,090	506,016				120,926	120,926
Total Business-type Activities	4,862,301	5,101,020	56,647			295,366	295,366
Total Primary Government	23,856,965	12,957,542	3,554,998	374,374	(7,265,417)	295,366	(6,970,051)
Component Units:							
Wasatch County SSD #9	276,876		829,165				552,289
Heber Valley SSD	854,174	563,838					(290,336)
Timberlakes Water SSD	718,896	959,902					241,006
Jordanella SSD	9,426,325	17,444,794		472,134			8,490,603
Total Component Units	11,276,271	18,968,534	829,165	472,134			8,993,562
General Revenues:							
Taxes:							
Property Taxes					7,487,299		7,487,299
Fee in Lieu of Taxes					586,764		586,764
Tourist & Recreation Tax					240,398		240,398
Transient Room Taxes					399,535		399,535
General Sales and Use Tax					1,564,794		1,564,794
Unrestricted Investment Earnings					413,650	217,748	631,398
Gain on Sale of Fixed Assets					4,706	(10,938)	(6,232)
Transfers					486,388	(486,388)	
Miscellaneous					73,623		73,623
Contributions					594,116	1,108,387	1,702,503
Total General Revenues and Transfers					11,851,273	828,809	12,680,082
Change in Net Assets					4,585,856	1,124,175	5,710,031
Net Assets - Beginning					47,773,283	12,348,473	60,121,756
Net Assets - Ending					52,359,139	13,472,648	65,831,787

The notes to the financial statements are an integral part of this statement.

**WASATCH COUNTY**  
**Balance Sheet**  
**Governmental Funds**  
For the Year Ended December 31, 2006

	General	Nonmajor	Total
	Fund	Governmental	Governmental
		Funds	Funds
<b>ASSETS</b>			
Cash & Cash Equivalents	3,236,587	5,193,711	8,430,298
Restricted Cash & Cash Equivalents	22,596	571,351	593,947
Receivable with Treasurer	2,296,532	1,226,623	3,523,155
Accounts Receivable (Net)	1,467,599	603,935	2,071,534
Due from Other Funds	514,926		514,926
Due from Other Governmental Entities		288,433	288,433
Deposits		389,118	389,118
Total Assets	<u>7,538,240</u>	<u>8,273,171</u>	<u>15,811,411</u>

**LIABILITIES AND FUND BALANCES**

**Liabilities:**

Accounts Payable	691,157	72,426	763,583
Accrued Payroll		4,981	4,981
Accrued Compensated Abs.	284,908	103,225	388,133
Bonds & Deposits Held	445,245		445,245
Inmate Deposits	4,957		4,957
Other Liabilities		2,745	2,745
Due to Other Funds		464,982	464,982
Due to Other Governmental Entities	76,052	50,215	126,267
Total Liabilities	<u>1,502,319</u>	<u>698,574</u>	<u>2,200,893</u>

**Fund balances:**

Reserved for:			
Municipal Services		807,147	807,147
Emergency 911 Service		198,117	198,117
Liquor Distribution		72,406	72,406
Correctional Facilities		778,068	778,068
Parks & Recreation		654,511	654,511
Special Events Center		134,241	134,241
Library & Senior Citizens		102,053	102,053
Government Buildings		1,954,744	1,954,744
Municipal Building Authority		26,178	26,178
Fire Protection		804,568	804,568
Unreserved - Designated, reported in:			
Health		662,087	662,087
Parks & Recreation		(154,688)	(154,688)
Library		436,320	436,320
Convention Bureau		193,817	193,817
Tourist & Recreation		120,876	120,876
Fire Protection		784,152	784,152
Unreserved - Undesignated	<u>6,035,921</u>		<u>6,035,921</u>
Total Fund Balances	<u>6,035,921</u>	<u>7,574,597</u>	<u>13,610,518</u>
Total Liabilities and Fund Balances	<u>7,538,240</u>	<u>8,273,171</u>	<u>15,811,411</u>

**WASATCH COUNTY**  
**Balance Sheet Reconciliation to**  
**Statement of Net Assets**  
December 31, 2006

Total Fund Balances - Governmental Fund Types:	13,610,518
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Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	52,789,883
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Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	<u>(14,041,262)</u>
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Net Assets of Government Activities	<u><u>52,359,139</u></u>
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**WASATCH COUNTY**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
For the Year Ended December 31, 2006

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>			
Taxes	6,397,415	3,881,375	10,278,790
Licenses and Permits	3,257,505		3,257,505
Intergovernmental	1,940,728	1,914,983	3,855,711
Charges for Services	2,699,260	1,293,363	3,992,623
Fines and Forfeitures	584,047		584,047
Other Revenue	277,222	461,920	739,142
Total Revenues	<u>15,156,177</u>	<u>7,551,641</u>	<u>22,707,818</u>
<b>Expenditures</b>			
Current:			
General Government	5,647,960		5,647,960
Public Safety	4,332,111	948,289	5,280,400
Public Health	721,696	1,529,491	2,251,187
Streets & Public Improvements	1,131,584	592,780	1,724,364
Parks, Recreation & Public Property	10,765	1,413,201	1,423,966
Conservation & Economic Development	268,607	391,866	660,473
Intergovernmental Expenditures	271,642		271,642
Capital Outlay	162,559	895,094	1,057,653
Debt Service	42,046	3,059,716	3,101,762
Total Expenditures	<u>12,588,970</u>	<u>8,830,437</u>	<u>21,419,407</u>
Excess Revenues Over (Under)			
Expenditures	<u>2,567,207</u>	<u>(1,278,796)</u>	<u>1,288,411</u>
<b>Other financing sources (uses)</b>			
Contributions	118,319	475,797	594,116
Transfers To Other Funds		(323,840)	(323,840)
Transfers From Other Funds	39,050	771,178	810,228
Miscellaneous Expense	(61,750)		(61,750)
Proceeds From Sale of Fixed Assets	63,400		63,400
Proceeds From Loans		76,978	76,978
Proceeds From Bonds	98,100		98,100
Total other financing sources and uses	<u>257,119</u>	<u>1,000,113</u>	<u>1,257,232</u>
Excess of revenues and other sources over (under) expenditures and other uses	2,824,326	(278,683)	2,545,643
Fund balances - beginning of year	<u>3,211,595</u>	<u>7,853,280</u>	<u>11,064,875</u>
Fund balances - end of year	<u><u>6,035,921</u></u>	<u><u>7,574,597</u></u>	<u><u>13,610,518</u></u>

The notes to the financial statements  
are an integral part of this statement.

**WASATCH COUNTY**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes**  
**in Fund Balances of Governmental Funds to the Statement of Activities**  
For the Year Ended December 31, 2006

Net Changes in Fund Balances - Total Governmental Funds	2,545,643
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	(141,471)
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The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of the differences in the treatment of long-term debt and related items.	2,365,368
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>(183,684)</u>
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Change in Net Assets of Governmental Activities	<u><u>4,585,856</u></u>
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**WASATCH COUNTY**  
**Statement of Net Assets**  
**Proprietary Funds**  
December 31, 2006

	Business-Type Activities - Enterprise Funds						Governmental Activities - Internal Service Funds
	Solid Waste District	Twin Creeks District	North Village District	Wasatch County Fire Protection District	Nonmajor Funds	Total	
<b>ASSETS</b>							
<b>Current Assets</b>							
Cash & Cash Equivalents		32,982	447,476	2,307,840	848,008	3,636,306	27,945
Receivables - Net	19,456	143,521	49,879	433,506	268,998	915,360	
Current Portion Special Assessment Receivable		155,380	305,188			460,568	
Internal Balances							179,324
Receivable with Treasurer	104,311					104,311	
Total Current Assets	123,767	331,883	802,543	2,741,346	1,117,006	5,116,545	207,269
<b>Noncurrent Assets</b>							
Restricted Cash & Cash Equivalents		1,642,905	1,139,365	164,922		2,947,192	
Investment - Joint Venture Blue Bench Landfill	680,080					680,080	
Special Assessment Receivable		870,666	6,207,000			7,077,666	
Bond Issuance Costs		39,531	128,388	19,482		187,401	
Capital Assets (Net of Accumulated Depreciation):							
Land, Easements, & Water Rights	236,250	4,037,415	6,045	100,000		4,379,710	
Construction in Progress		53,946	1,948,089			2,002,035	
Buildings & Improvements	1,533	1,860,969		1,831,741		3,694,243	
Machinery & Equipment	760,766	35,386		230,151	2,158	1,028,461	522,524
Infrastructure		4,286,236	3,180,214		684,473	8,150,923	
Total Noncurrent Assets	1,678,629	12,827,054	12,609,101	2,346,296	686,631	30,147,711	522,524
Total Assets	1,802,396	13,158,937	13,411,644	5,087,642	1,803,637	35,264,256	729,793
<b>LIABILITIES</b>							
<b>Current Liabilities</b>							
Accounts Payable	68,820	118,856		7,533	533	195,742	16,695
Accrued Interest Payable	1,236	72,990	119,567	6,977	947	201,717	
Accrued Payroll & Related Expenses		10,259		20,549		30,808	
Internal Balances	43,370				6,574	49,944	179,324
Due to Other Governmental Entities		17,296	28,015		292,548	337,859	
Deferred Special Assessment Revenue - Current		155,380	305,188			460,568	
Deferred Revenue					407,088	407,088	
Capital Leases Payable - Current	50,658			80,000		130,658	
Bonds Payable - Current	80,776	275,775	312,682			669,233	
Notes Payable - Current	15,416	6,244			9,548	31,208	
Total Current Liabilities	260,276	656,800	765,452	115,059	717,238	2,514,825	196,019
<b>Noncurrent Liabilities</b>							
Accrued Compensated Absences	48,110	5,202		13,374		66,686	11,728
Deferred Revenue			7,600			7,600	
Deferred Special Assessment Revenue		870,666	6,207,000			7,077,666	
Capital Leases Payable	386,947			1,705,000		2,091,947	
Bonds Payable	831,571	2,827,225	6,207,000			9,865,796	
Notes Payable	38,182	535			18,371	57,088	
Other Noncurrent Liabilities					110,000	110,000	
Total Noncurrent Liabilities	1,304,810	3,703,628	12,421,600	1,718,374	128,371	19,276,783	11,728
Total Liabilities	1,565,086	4,360,428	13,187,052	1,833,433	845,609	21,791,608	207,747
<b>NET ASSETS</b>							
Invested in capital assets, net of related debt	(405,001)	7,227,631		396,374	658,712	7,877,716	343,200
Restricted							
Capital Projects		1,125,912	358,964			1,484,876	
Debt Service		413,203	16,591	164,922		594,716	
Contractual Agreement		79,863				79,863	
Unrestricted	642,311	(48,100)	(150,963)	2,692,913	299,316	3,435,477	178,846
Total net assets	237,310	8,798,509	224,592	3,254,209	958,028	13,472,648	522,046



**WASATCH COUNTY**  
**Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
**Proprietary Funds**  
For the Year Ended December 31, 2006

	<b>Business-Type Activities - Enterprise Funds</b>					<b>Governmental Activities - Internal Service Funds</b>
	<b>Solid Waste District</b>	<b>Twin Creeks District</b>	<b>North Village District</b>	<b>Wasatch County Fire Protection District</b>	<b>Nonmajor Funds</b>	<b>Total</b>
<b>Operating Revenues</b>						
Sanitation Fees	2,088,499					2,088,499
Charges for Services		386,412	39,428	1,153,773	485,210	2,064,823
Rent & Maintenance						739,319
Revenue Recoveries				123,910		123,910
Water Reserve		54,083				54,083
Reservation Fees			452,107			452,107
Bond Assessments		274,396	7,494			281,890
Miscellaneous Revenue		14,729	173		20,806	35,708
<b>Total Operating Revenues</b>	<b>2,088,499</b>	<b>729,620</b>	<b>499,202</b>	<b>1,277,683</b>	<b>506,016</b>	<b>5,101,020</b>
<b>Operating Expenses</b>						
Salaries & Wages	696,891	120,197		426,749		1,243,837
Employee Benefits	287,709	57,974		302,009		647,692
Materials, Supplies & Services	829,658	279,384	357,790	171,010	369,769	2,007,611
Depreciation & Amortization Expense	206,222	158,630	64,841	114,683	12,954	557,330
<b>Total Operating Expenses</b>	<b>2,020,480</b>	<b>616,185</b>	<b>422,631</b>	<b>1,014,451</b>	<b>382,723</b>	<b>4,456,470</b>
<b>Operating Income</b>	<b>68,019</b>	<b>113,435</b>	<b>76,571</b>	<b>263,232</b>	<b>123,293</b>	<b>644,550</b>
<b>Nonoperating Revenues (Expenses)</b>						
Interest Revenue	3,214	62,815	15,160	107,077	29,482	217,748
Gain on Sale of Fixed Assets	8,368	(32,637)			13,331	(10,938)
Grants				56,647		56,647
Interest Expense	(54,180)	(102,752)	(119,567)	(85,695)	(2,367)	(364,561)
Loss from Joint Venture in Blue Bench Landfill	(41,270)					(41,270)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(83,868)</b>	<b>(72,574)</b>	<b>(104,407)</b>	<b>78,029</b>	<b>40,446</b>	<b>(142,374)</b>
<b>Income (Loss)</b>	<b>(15,849)</b>	<b>40,861</b>	<b>(27,836)</b>	<b>341,261</b>	<b>163,739</b>	<b>175,703</b>
<b>Operating Transfers Out</b>				<b>(486,388)</b>		<b>(486,388)</b>
<b>Net Income (Loss) Before Capital Contributions</b>						
<b>Contributions</b>	<b>(15,849)</b>	<b>40,861</b>	<b>(27,836)</b>	<b>(145,127)</b>	<b>163,739</b>	<b>175,703</b>
<b>Capital Contributions</b>						
Water Shares			358,000			358,000
Impact Fees		700,454				700,454
Equipment & Supplies				49,933		49,933
<b>Total Capital Contributions</b>	<b>0</b>	<b>700,454</b>	<b>358,000</b>	<b>49,933</b>	<b>0</b>	<b>1,108,387</b>
<b>Change in Net Assets</b>	<b>(15,849)</b>	<b>741,315</b>	<b>330,164</b>	<b>(95,194)</b>	<b>163,739</b>	<b>175,703</b>
<b>Total Net Assets - Beginning</b>	<b>253,159</b>	<b>8,057,194</b>	<b>(105,572)</b>	<b>3,349,403</b>	<b>794,289</b>	<b>12,348,473</b>
<b>Total Net Assets - Ending</b>	<b>237,310</b>	<b>8,798,509</b>	<b>224,592</b>	<b>3,254,209</b>	<b>958,028</b>	<b>13,472,648</b>

The notes to the financial statements are an integral part of this statement.

**WASATCH COUNTY**  
**Statement of Cash Flows**  
**Proprietary Funds**  
For the Year Ended December 31, 2006

	Business-Type Activities - Enterprise Funds						Governmental Activities - Internal Service Funds
	Solid Waste	Twin Creeks	North Village	Fire District	Nonmajor	Total BTAs	
<b>Cash Flows From Operating Activities</b>							
Receipts from customers	1,942,310	460,744	442,499	1,373,157	977,952	5,196,662	
Bond assessment receipts		274,396	7,494			281,890	
Receipts from interfund services provided							764,146
Payments to suppliers	(829,658)	(252,686)	(390,393)	(169,739)	(326,952)	(1,969,428)	(192,861)
Payments to employees	(984,600)	(175,809)		(719,514)	(28,907)	(1,908,830)	(320,337)
Net cash provided by operating activities	128,052	306,645	59,600	483,904	622,093	1,600,294	250,948
<b>Cash Flows From Noncapital Financing Activities</b>							
Grants received				56,647		56,647	
Transfers to other funds				(486,388)		(486,388)	
Net cash used by noncapital financing activities				(429,741)		(429,741)	
<b>Cash Flows From Capital and Related Financing Activities</b>							
Capital contributions		700,454	358,000			1,058,454	
Purchases of capital assets	(54,587)	(16,500)		(6,072)		(77,159)	(348,000)
Proceeds from sale of capital assets	9,000				16,500	25,500	
Construction of capital assets		(37,278)	(1,622,661)		(12,533)	(1,672,472)	
Proceeds from capital debt	150,000		9,320,973			9,470,973	
Bond issuance costs			(98,236)			(98,236)	
Principal paid on capital lease obligations				(82,676)		(82,676)	
Principal paid on capital debt	(140,229)	(264,407)	(6,081,620)	(21,180)	(20,594)	(6,528,030)	
Interest paid on capital debt	(54,180)	(111,301)	(438,062)	(85,904)	(2,367)	(691,814)	
Net cash provided (used) by capital and related financing activities	(89,996)	270,968	1,438,394	(195,832)	(18,994)	1,404,540	(348,000)
<b>Cash Flows From Investing Activities</b>							
Interest income	3,214	62,815	15,160	107,077	29,482	217,748	6,946
Investment in Blue Bench Landfill	(41,270)					(41,270)	
Net cash provided (used) by investing activities	(38,056)	62,815	15,160	107,077	29,482	176,478	6,946
Net increase (decrease) in cash and cash equivalents	0	640,428	1,513,154	(34,592)	632,581	2,751,571	(90,106)
Cash and cash equivalents, January 1	0	1,035,459	73,687	2,507,354	215,427	3,831,927	118,051
Cash and cash equivalents, December 31	0	1,675,887	1,586,841	2,472,762	848,008	6,583,498	27,945
<b>Cash and cash equivalents</b>	32,982	447,476	2,307,840	848,008	3,636,306	207,269	
<b>Restricted cash and cash equivalents</b>	1,642,905	1,139,365	164,922		2,947,192		
	0	1,675,887	1,586,841	2,472,762	848,008	6,583,498	207,269
<b>Reconciliation of operating income to net cash provided (used) by operating activities:</b>							
Operating income (loss)	68,019	113,435	76,571	263,232	123,293	644,550	168,756
Adjustments to reconcile operating income to net cash provided (used) by operating activities:							
Depreciation & amortization expense	206,222	158,630	64,841	114,683	12,954	557,330	53,769
(Increase) decr. in receivables	24,291	5,520	(49,209)	95,474	66,336	142,412	
Increase (decr.) in accounts payable	(59,017)				30,221	(28,796)	16,695
Increase (decr.) in accrued liabilities	(2,826)	29,060	(32,603)	10,515	(12,683)	(8,537)	11,728
Increase in unearned revenue					405,731	405,731	
Increase (decr.) in internal balances	(108,637)				(3,759)	(112,396)	
Total adjustments	60,033	193,210	(16,971)	220,672	498,800	955,744	82,192
Net cash provided (used) by operating activities	128,052	306,645	59,600	483,904	622,093	1,600,294	250,948
<b>Noncash capital and related financing activities:</b>							
Contributed assets				49,933			
Capitalized interest			145,944				

**WASATCH COUNTY**  
**Statement of Fiduciary Net Assets**  
**Agency Fund**  
For The Year Ended December 31, 2006

**ASSETS**

Restricted cash and cash equivalents	13,582,522
Accounts receivable	<u>650,927</u>
Total Assets	<u><u>14,233,449</u></u>

**LIABILITIES**

Due to taxing units	13,453,653
Accounts payable	67
Collections payable	<u>779,729</u>
Total Liabilities	<u><u>14,233,449</u></u>

The notes to the financial statements  
are an integral part of this statement.

**NOTES TO  
FINANCIAL  
STATEMENTS**

**WASATCH COUNTY**  
**Notes to Financial Statements**

December 31, 2006

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying financial statements of Wasatch County have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board.

The accompanying basic financial statements present the financial position of the various fund types and the results of their operations. The basic financial statements are presented for the year ended December 31, 2006.

**Reporting Entity**

For financial reporting purposes, Wasatch County has included all funds. The County has also considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the County to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the County.

As required by generally accepted accounting principles, these basic financial statements present Wasatch County (the primary government) and its component units. The component units are included in the County's reporting entity because of the significance of their operational or financial relationships with the County. Complete financial statements of the discrete component units, which issued separate financial statements as noted below, can be obtained from their respective administrative offices.

*Blended Component Units*

These component units are entities which were created by the County and are legally separate from the County, but are so intertwined with the County that they are, in substance, the same as the County. Their financial results are blended with the County's in the appropriate fund type category. Because of the County's operational influence, the following special service districts have been blended into the County's financial statements: Heber Estates, Wasatch View Acres, Twin Creeks, Strawberry Lakeview, North Village, Wasatch County Special Service Area #1, and Wasatch County Fire Protection Special Service District.

**WASATCH COUNTY**  
**Notes to Financial Statements**

December 31, 2006

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Discrete Component Units*

Heber Valley Special Service District (Enterprise Fund) - The Sewer District provides sewage collection and treatment services for Heber City and Midway. The Sewer District's Administrative Control Board is composed of seven representatives from the County, Heber City, and Midway. Although the Sewer District is legally independent and the County has delegated financial management duties to the Administrative Board, the County retains oversight responsibilities. The District's financial statements were audited separately by independent auditors for the period ended December 31, 2006 and their report dated May 10, 2007 has been previously issued under a separate cover.

Timberlakes Water Special Service District (Enterprise Fund) - The Water District provides culinary water to the Timberlakes subdivision. The Water District's Administrative Board is composed of seven representatives from the County. Although the Water District is legally independent and the County has delegated financial management duties to the Administrative Board, the County retains oversight responsibilities. The District's financial statements were audited separately by independent auditors for the period ended December 31, 2006 and their report dated January 24, 2007, has been issued under a separate cover.

Jordanelle Special Service District (Enterprise Fund) – The District provides water and sewer services to residents within the District's boundaries. The District's Administrative Board consists of five appointed members that have financial management oversight and are responsible for policy decisions. Although the County Council has delegated responsibilities to the Administrative Board, they still retain oversight responsibilities. The District's financial statements were audited separately by independent auditors for the year ended December 31, 2006 and their report dated February 14, 2007, has been issued under a separate cover.

Wasatch County Special Service District #9 (Governmental Fund) – The District provides equipment and road maintenance and repair work in addition to new construction on the County's road system. The District's Administrative Board is composed of three representatives who are independent of the County's Council. The District's financial statements were audited separately by independent auditors for the year ended December 31, 2006 and their report dated April 11, 2007, has been issued under a separate cover.

**WASATCH COUNTY**  
**Notes to Financial Statements**

December 31, 2006

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Financial statement amounts for these discrete component units are included in the County's financial statements. Complete separate financial statements for each entity may be obtained from their respective administrative offices or from the County Clerk/Auditor's office, 25 North Main, Heber City, Utah 84032.

*Local Entities Excluded*

Due to the limited oversight and fiscal responsibility by the County, the Heber Valley Fire Department and the Wasatch County Search and Rescue have been excluded from the reporting entity.

**Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e. statement of net assets and statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported in separate columns in the fund financial statements.

**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and accrual basis of accounting as are the proprietary fund and the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**WASATCH COUNTY**  
**Notes to Financial Statements**

December 31, 2006

**NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, Wasatch County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The County reports the General Fund as the only major governmental fund.

The County also reports the following other governmental funds:

Special Events Center, Parks & Recreation Bond, Government Buildings, Health, Parks & Recreation Operations, Municipal Services, Library, Convention Bureau, Tourist & Recreation, Liquor Distribution, Emergency 911 Service, Correctional Facilities, Library & Senior Citizens, Wasatch County Fire Protection Special Service District, and Municipal Building Authority.

The County reports the following major proprietary funds:

The Solid Waste Special Service District provides the disposal of solid waste for the residents of the County. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the district are charges to customers for services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The Twin Creeks Special Service District provides the water and sewer services to the residents of the district. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the district are charges to customers for services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.



**WASATCH COUNTY**  
**Notes to Financial Statements**

December 31, 2006

**NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The North Village Special Service District provides the water and sewer services to the residents of the district. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the district are charges to customers for services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The Wasatch County Fire Protection Special Service District provides fire protection services to residents within the district's boundaries. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the district are charges to customers for services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The County also reports the following other proprietary funds:

Heber Estates Special Service District, Wasatch View Acres Special Service District, Strawberry Lakeview Special Service District, and Wasatch County Special Service Area #1.

Additionally the County reports the following fund type:

The Treasurer's Tax Collection Agency Fund is used to account for taxes collected by the County Treasurer for the taxing entities within the County.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

**WASATCH COUNTY**  
**Notes to Financial Statements**

December 31, 2006

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Assets, Liabilities and Equity**

*Cash and Cash Equivalents*

The County defines cash and cash equivalents as well as deposits in its checking and money market accounts, and all highly liquid debt instruments purchased with a maturity of three months or less.

State statutes authorize the government to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements and the State Treasurer's Investment Pool.

Investments for the County, as well as for its component units, are reported at fair value. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

*Capital Assets*

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment of the primary government, as well as the component units, is depreciated using the straight line method over the following estimated useful lives:

Buildings	40 years
Improvements Other Than Buildings	20-40 years
Equipment	5-20 years

**WASATCH COUNTY**  
**Notes to Financial Statements**

December 31, 2006

**NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Compensated Absences*

It is the County's policy to permit employees to accumulate earned but unused vacation and compensated time benefits. All vacation pay is accrued when incurred in the government-wide financial statements.

*Long-Term Obligations*

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the statement of net assets.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, if any, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

*Fund Equity*

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

**Budgets and Budgetary Accounting**

The governing body of the County establishes the time and place of the public hearing to consider the adoption of the budget and publishes notice of the hearing at least seven days prior to the hearing in at least one issue of the newspaper of general circulation published within the County in which the entity is located. The tentative budget is made available to the public for inspection for a number of days, as provided by law, prior to the budget hearing.

1. On or before the first regularly scheduled meeting of the County Council in the month of November, the County Auditor prepares a tentative budget for the next budget year.
2. After a public notice has been published, a public hearing is then held for the adoption of the budget.
3. After the public hearing, the County Council makes final adjustments to the tentative budget.
4. On or before December 31, the County Council adopts the budget by resolution.
5. The budget officer may transfer unexpended budgeted amounts within departments.
6. The County Council may transfer unexpended budgeted amounts from one department in a fund to another department in the same fund by resolution.

**WASATCH COUNTY**  
**Notes to Financial Statements**

December 31, 2006

**NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

7. The total budget appropriation of any governmental fund may be increased only after a public hearing has been held and followed by resolution of the County Council.
8. Budgets for the General Fund are prepared on the modified accrual basis of accounting.

The appropriated budget is prepared by fund, function and department. The County's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the governing council. The legal level of budgetary control is the department level.

The Fiscal Procedures Act for Utah Counties require Counties to restrict expenditures to authorized departmental budgets. The combined statement of revenues, expenditures and changes in fund balance – budget and actual identifies the departments and funds which have overexpended budgeted amounts if any and, therefore, do not comply with appropriate fiscal procedures.

**Property Tax Calendar**

- |             |  |
|-------------|--|
| January 1   | Lien Date – All property appraised based upon situs and status as of this date (real and personal).  |
| March 1     | Calendar year taxing entities must inform the County of the date, time and place of the budget hearing for the next fiscal year for inclusion with tax notice.   |
| June 22     | All taxing entities to adopt tentative budgets and proposed tax rates and report them to the county auditor.   |
| July 22     | County auditor to prepare and mail Notice of Valuation and Tax Changes to all real property owners, including centrally assessed property owners or in the event that Notices of Valuation and Tax Changes are not required, the county auditor is to compute taxes and the county treasurer is to mail tax notices. |
| September 1 | State Tax Commission approves tax rates.   |
| November 1  | County auditor is to deliver the equalized assessment roll to the county treasurer with affidavit.   |
| November 1  | County auditor to charge the county treasurer to account for all taxes levied.   |
| November 1  | County treasurer to mail tax notices. Tax notices for calendar year entities include notice of budget hearings.  |
| November 30 | Taxes on real property become delinquent.  |

**WASATCH COUNTY**  
**Notes to Financial Statements**

December 31, 2006

**NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**NOTE 2 - DEPOSITS AND INVESTMENTS**

Deposits and investments for local government are governed by the Utah Money Management Act (*Utah Code Annotated*, Title 51, Chapter 7, "the Act") and by rules of the Utah Money Management Council (the Council). Following are discussions of the County's exposure to various risks related to its cash management activities.

**Custodial Credit Risk - Deposits**

Custodial credit risk for deposits is the risk that in the event of a bank failure, the County's deposits may not be recovered. The County's policy for managing custodial credit risk is to adhere to the Money Management Act. The Act requires all deposits of the County to be in a *qualified depository*, defined as any financial institution whose deposits are insured by an agency of the federal government and which has been certified by the Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council. As of December 31, 2006, \$8,027,494 of the County's bank balance of \$8,904,457 was uninsured and uncollateralized. The County's component units had a bank balance of \$2,287,613 of which \$1,873,723 was uninsured and uncollateralized.

**Credit Risk**

Credit risk is the risk that the counterparty to an investment will not fulfill its obligations. The County's policy for limiting the credit risk of investments is to comply with the Money Management Act.

The County is authorized to invest in the Utah Public Treasurer's Investment Fund (PTIF), an external pooled investment fund managed by the Utah State Treasurer and subject to the Act and Council requirements. The PTIF is not registered with the SEC as an investment company, and deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah. The PTIF operates and reports to participants on an amortized cost basis. The income, gains, and losses, net of administration fees, of the PTIF are allocated based upon the participants' average daily balances.

For the year ended December 31, 2006, the County had investments of \$20,262,846 with the PTIF and the County's component units had investments of \$22,017,641 with the PTIF. The entire balance had a maturity of less than one year. The PTIF pool has not been rated.

**WASATCH COUNTY**  
**Notes to Financial Statements**

December 31, 2006

**NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)**

**Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The District manages its exposure to declines in fair value by investment mainly in the PTIF and by adhering to the Money Management Act. The Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested.

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**WASATCH COUNTY**  
**Notes to Financial Statements**

December 31, 2006

**NOTE 3 – CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2006 was as follows:

<b>Primary Government</b>	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<i>Governmental activities</i>				
Capital assets not being depreciated:				
Land, Easements, & Water Rights	8,070,856			8,070,856
Infrastructure	23,331,336			23,331,336
Construction in Progress	2,645,922		2,645,922	-
Total capital assets not being depreciated	34,048,114	-	2,645,922	31,402,192
Capital assets being depreciated:				
Buildings & Improvements	18,074,990	3,446,714		21,521,704
Machinery and equipment	8,865,449	604,863	605,248	8,865,064
Infrastructure	2,427,461			2,427,461
Total capital assets being depreciated	29,367,900	4,051,577	605,248	32,814,229
Less accumulated depreciation for:				
Buildings & Improvements	3,553,141	582,881		4,136,022
Machinery and equipment	5,452,234	574,275	238,383	5,788,126
Infrastructure	1,460,422	41,968		1,502,390
Total accumulated depreciation	10,465,797	1,199,124	238,383	11,426,538
Total capital assets, being depreciated, net	18,902,103	2,852,453	366,865	21,387,691
Governmental activities capital assets, net	52,950,217	2,852,453	3,012,787	52,789,883
<i>Business-type activities</i>				
Capital assets not being depreciated:				
Land, Easements, & Water Rights	4,379,710			4,379,710
Infrastructure	779,628			779,628
Construction in Progress	453,045	1,987,052	438,062	2,002,035
Total capital assets not being depreciated	5,612,383	1,987,052	438,062	7,161,373
Capital assets being depreciated:				
Buildings & Improvements	5,573,077			5,573,077
Machinery and equipment	3,207,611	133,383	153,067	3,187,927
Infrastructure	8,255,845	57,042		8,312,887
Total capital assets being depreciated	17,036,533	190,425	153,067	17,073,891
Less accumulated depreciation for:				
Buildings & Improvements	1,757,760	121,074		1,878,834
Machinery and equipment	2,010,229	265,874	116,637	2,159,466
Infrastructure	775,539	166,054		941,593
Total accumulated depreciation	4,543,528	553,002	116,637	4,979,893
Total capital assets, being depreciated, net	12,493,005	(362,577)	36,430	12,093,998
Business-type activities capital assets, net	18,105,388	1,624,475	474,492	19,255,371

**WASATCH COUNTY**  
**Notes to Financial Statements**

December 31, 2006

**NOTE 3 - CAPITAL ASSETS (CONTINUED)**

Depreciation expense was charged to functions/programs of the primary government as follows:

**Governmental activities**

General government	600,229
Public Safety	337,150
Public Health	17,212
Streets and Public Improvements	58,724
Parks, Recreation, and Public Property	132,820
Conservation and Economic Development	10,011
Intergovernmental	42,978
Total depreciation expense - governmental activities	<u>1,199,124</u>

**Business-type activities**

Solid Waste District	206,222
North Village Special Service District	64,841
Twin Creeks Special Service District	158,630
Wasatch County Fire Protection District	114,683
Strawberry Lakeview District	8,529
Wasatch Special Service Area #1	4,425
Total depreciation expense - Business-Type activities	<u>557,330</u>
Total depreciation expense for all activities	<u>1,756,454</u>

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**WASATCH COUNTY**  
**Notes to Financial Statements**

December 31, 2006

**NOTE 3 - CAPITAL ASSETS (CONTINUED)**

**Component Units**

Statement of Changes in Capital Assets (Component Units)

as of December 31, 2006:

*Governmental activities*

Capital assets being depreciated:

Machinery and equipment

Total capital assets being depreciated

Less accumulated depreciation

Total capital assets, being depreciated, net

Governmental activities capital assets, net

*Business-type activities*

Capital assets not being depreciated:

Land, Easements, & Water Rights

Construction in Progress

Total capital assets not being depreciated

Capital assets being depreciated:

Buildings and Improvements

Machinery and equipment

Infrastructure

Total capital assets being depreciated

Less accumulated depreciation for:

Buildings and Improvements

Machinery and equipment

Infrastructure

Total accumulated depreciation

Total capital assets, being depreciated, net

Business-type activities capital assets, net

Total-Government Wide

	Beginning Balance	Increases	Decreases	Ending Balance
<i>Governmental activities</i>				
Capital assets being depreciated:				
Machinery and equipment	1,158,604	923,837	32,250	2,050,191
Total capital assets being depreciated	1,158,604	923,837	32,250	2,050,191
Less accumulated depreciation	436,281	179,329	13,903	601,707
Total capital assets, being depreciated, net	722,323	744,508	18,347	1,448,484
Governmental activities capital assets, net	722,323	744,508	18,347	1,448,484
<i>Business-type activities</i>				
Capital assets not being depreciated:				
Land, Easements, & Water Rights	30,384,976	2,794,291		33,179,267
Construction in Progress	13,647,814	6,150,474	2,244,384	17,553,904
Total capital assets not being depreciated	44,032,790	8,944,765	2,244,384	50,733,171
Capital assets being depreciated:				
Buildings and Improvements	32,861,339	1,032,135		33,893,474
Machinery and equipment	7,086,494	181,400	170,598	7,097,296
Infrastructure	23,278,346	1,882,124		25,160,470
Total capital assets being depreciated	63,226,179	3,095,659	170,598	66,151,240
Less accumulated depreciation for:				
Buildings and Improvements	7,490,483	699,168		8,189,651
Machinery and equipment	3,163,207	634,496	144,841	3,652,862
Infrastructure	2,765,325	560,235		3,325,560
Total accumulated depreciation	13,419,015	1,893,899	144,841	15,168,073
Total capital assets, being depreciated, net	49,807,164	1,201,760	25,757	50,983,167
Business-type activities capital assets, net	93,839,954	10,146,525	2,270,141	101,716,338
Total-Government Wide	94,562,277	10,891,033	2,288,488	103,164,822

**WASATCH COUNTY**  
**Notes to Financial Statements**

December 31, 2006

**NOTE 4 – LONG-TERM DEBT**

**Government Type Activities**

***Primary Government***

Year Ended December 31	Principal	Interest	Total Obligation
2007	1,024,335	597,995	1,622,330
2008	1,014,969	558,957	1,573,926
2009	1,057,781	520,729	1,578,510
2010	1,091,776	478,874	1,570,650
2011	1,144,720	435,377	1,580,097
2012 - 2016	4,990,631	1,477,765	6,468,396
2017 - 2021	2,960,168	584,637	3,544,805
2022 - 2026	635,000	31,385	666,385
Total debt	13,919,380	4,685,719	18,605,099
Less current portion	(1,024,335)	(597,995)	(1,622,330)
Total long-term debt	12,895,045	4,087,724	16,982,769

**Business Type Activities**

***Primary Government***

Year Ended December 31	Principal	Interest	Total Obligation
2007	700,441	461,427	1,161,868
2008	712,503	447,572	1,160,075
2009	748,684	411,769	1,160,894
2010	498,026	374,506	872,532
2011	520,243	352,389	872,632
2012 - 2016	3,027,427	1,382,566	4,409,993
2017 - 2021	3,367,000	645,938	4,012,938
2022 - 2026	1,009,000	94,800	1,103,800
2027 - 2031	25,000	-	25,000
2032 - 2036	15,000	-	15,000
Total debt	10,623,324	4,170,967	14,794,732
Less current portion	(700,441)	(461,427)	(1,161,868)
Total long-term debt	9,922,883	3,709,540	13,632,864

**WASATCH COUNTY**  
**Notes to Financial Statements**

December 31, 2006

**NOTE 4 – LONG-TERM DEBT (CONTINUED)**

***Discrete Component Units***

Year Ended December 31	Principal	Interest	Total Obligation
2007	5,227,668	2,079,456	7,307,124
2008	5,444,993	1,819,771	7,264,764
2009	11,463,134	2,181,131	13,644,265
2010	5,519,200	1,267,531	6,786,731
2011	5,815,100	988,484	6,803,584
2012 - 2016	5,258,100	3,047,805	8,305,905
2017 - 2021	6,348,500	1,836,530	8,185,030
2022 - 2026	5,135,000	497,638	5,632,638
Total debt	50,211,695	13,718,346	63,930,041
Less current portion	(5,227,668)	(2,079,456)	(7,307,124)
Total long-term debt	44,984,027	11,638,890	56,622,917

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**WASATCH COUNTY**  
**Notes to Financial Statements**

December 31, 2006

**NOTE 4 – LONG-TERM DEBT (CONTINUED)**

The changes in long-term debt for the year ended December 31, 2006 are as follows:

	Balance Jan. 1, 2006	Additions	Reductions	Balance Dec. 31, 2006
<b>Governmental Activities:</b>				
<i>Primary Government</i>				
General Obligation Bonds	10,493,022	76,978	2,098,000	8,472,000
Revenue Bonds	4,569,987	98,100	248,387	4,419,700
Other Notes Payable	1,119,240		91,560	1,027,680
Total Bonds & Notes	16,182,249	175,078	2,437,947	13,919,380
Capital Leases	58,147		25,523	32,624
Total Long-Term Debt	16,240,396	175,078	2,463,470	13,952,004
<b>Business Type Activities:</b>				
<i>Primary Government</i>				
Revenue Bonds	4,190,814	6,669,682	325,467	10,535,029
Other Notes Payable	160,743		72,447	88,296
Total Bonds & Notes	4,351,557	6,669,682	397,914	10,623,325
Capital Leases	2,353,777		131,172	2,222,605
Total Long-Term Debt	6,705,334	6,669,682	529,086	12,845,930
<i>Discrete Component Units</i>				
Revenue Bonds	49,953,200	180,000	9,213,100	40,920,100
Other Notes Payable	3,738,753	5,745,304	192,462	9,291,595
Total Bonds & Notes	53,691,953	5,925,304	9,405,562	50,211,695
Capital Leases	13,994		13,994	
Total Long-Term Debt	53,705,947	5,925,304	9,419,556	50,211,695

**WASATCH COUNTY**  
**Notes to Financial Statements**

December 31, 2006

**NOTE 4 – LONG-TERM DEBT (CONTINUED)**

**Compensated Absences**

The County's compensation policy permits employees to accumulate unused vacation. Portions of amounts accumulated at any point in time can be expected to be redeemed before termination of employment. Sick leave is forfeited at termination of employment and, therefore, is excluded from accrued compensated absences. The changes in compensated absences for the year ended December 31, 2006 are as follows:

	Balance Jan. 1, 2006	Additions	Reductions	Balance Dec. 31, 2006
Governmental Activities	387,519	12,342	-	399,861
Business Type Activities	67,043	-	357	66,686
Total	<u>454,562</u>	<u>12,342</u>	<u>357</u>	<u>466,547</u>

Descriptions of the long-term debt follow:

**Wasatch County Landfill Revenue Bonds, Series 1996**

On February 28, 1996, the Wasatch County Solid Waste Disposal Special Service District issued \$1,335,338 of revenue bonds. The bonds are payable in 20 annual installments beginning January 1, 1998 through 2017, with interest calculated from January 1, 1997 at 3%.

**Timberlakes Water Special Service District Water Revenue Refunding Bonds**

During 1998, Timberlakes Water Special Service District issued Water Revenue Refunding and New Money Bonds. The bond issue was for \$2,400,000. The annual principal payments ranging from \$76,800 to \$177,100 began January 15, 2001 and continue through the year 2019. The bonds accrue interest at rates between 5.05% and 5.45% per annum. The interest is payable semiannually on July 15 and January 15.

**Timberlakes Water Special Service District Truck Note Payable**

During 2005, the District purchased a 2005 Ford F-350 Super Duty truck. The District financed \$29,126 at 6.75% over 60 months. Monthly payments of \$575 are made beginning October 2004 through 2009.

**WASATCH COUNTY**  
**Notes to Financial Statements**

December 31, 2006

**NOTE 4 — LONG-TERM DEBT (CONTINUED)**

**Timberlakes Water Special Service District Water Revenue Bond**

During 2005, the District issued a Water Revenue Bond for an amount not to exceed \$1,000,000. The annual principal payments ranging from \$42,000 to \$59,000 are due beginning October 1, 2005 through the year 2025. The bonds accrue interest at 1.76% per annum. The interest is payable annually on October 1. The District has completely drawn down the bonds at December 31, 2006.

**Twin Creeks Special Service District Water Revenue Bonds, Series 1996**

During 1996, Twin Creeks Special Service District issued Water Revenue Bonds. The bonds in the amount of \$1,877,000 are due in annual principal installments ranging from \$1,000 to \$333,000 beginning in 1998 and going through March 1, 2026. The bonds accrue interest at 3% per annum, payable annually on March 1 of each year.

**Twin Creeks Special Service District Sewer Revenue Bonds, Series 1999**

During 1999, Twin Creeks Special Service District issued Sewer Revenue Bonds. The bonds in the amount of \$147,184 are due in annual principal installments ranging from \$11,184 to \$19,000 beginning in 2000 and going through August 1, 2009. The bonds accrue interest at rates ranging from 5.25% to 5.95%. Interest is payable annually on August 1st of each year.

**Twin Creeks Special Service District Sewer Assessment Bonds, Series 1999**

During 1999, Twin Creeks Special Service District issued Sewer Revenue Bonds. The bonds in the amount of \$1,835,371 are due in annual principal installments ranging from \$139,547 to \$234,469 beginning in 2000 and going through May 1, 2009. The bonds accrue interest at rates ranging from 5.55% to 6.00%. Interest is payable annually on May 1st of each year.

**Twin Creeks Special Service District Water Revenue Bonds Series 2004A**

During 2004, the District issued Water Revenue Bonds. The bonds in the amount of \$500,000 are due in annual principal installments of \$5,000 beginning March 1, 2005 and going through March 1, 2034. The bonds carry a 0% interest rate and 70% of the principal amount owed is forgiven by the issuee as and at the time bond funds are drawn.

**Twin Creeks Special Improvement District Sewer Assessment Bonds Series 2004-1**

During 2004, the District issued Special Improvement District (SID) Sewer Assessment Bonds. The bonds in the amount of \$487,000 are due in annual principal installments ranging from \$24,000 to \$25,000 through December 1, 2024. The bonds carry a 0% interest rate.

**WASATCH COUNTY**  
**Notes to Financial Statements**

December 31, 2006

**NOTE 4 – LONG-TERM DEBT (CONTINUED)**

**Twin Creeks Special Service District Notes Payable**

During 2004, the District purchased a truck. The District financed \$17,548 at an annual percentage rate of 6.99%. Payments of \$543 are due monthly beginning February 14, 2005, and continuing for 36 months. The note is secured by the truck.

**Wasatch County Fire Protection Special Service District**

In 2001, the Wasatch County Fire Protection Special Service District entered into an agreement with Information Leasing Corporation to purchase a Pierce Hawk Wildland Truck. The District financed \$146,546 over a 5 year period. Monthly payments of \$2,765 were made through August 2006. The annual interest rate on the note was 4.99%.

**Jordanelle Special Service District Special Assessment Bond, Series 1999A**

During 1999, the Jordanelle Special Service District issued Special Assessment Bond, Series A, in the amount of \$2,736,000. This bond was used to pay off the interim warrants from the State of Utah which were used to finance the construction of the Jordanelle Trunk Line. The bond will be payable over a ten-year period with a 3% interest rate. Annual payments begin October 1, 2000.

**Jordanelle Special Service District Special Assessment Bond, Series 1999B**

During 1999, the Jordanelle Special Service District issued Special Assessment Bond, Series B, in the amount of \$1,153,000. This bond was used to pay off the Sewer loan with Zions Bank. The bond will be payable over a ten-year period with interest rates ranging from 6.3% to 6.8%. Annual payments begin October 1, 2000.

**Jordanelle Special Service District Special Assessment Bond, Series 2000A**

During 2000, the Jordanelle Special Service District issued Special Assessment Bond, Series A, in the amount of \$11,660,000. This bond was used for acquiring and installing main sewer and water lines and related facilities and feeder lines which will bring water and sewer service to the boundaries of the privately owned Tier One Assessment parcels of land in the District. The bond will be payable over a ten-year period with an 8% interest rate. Annual payments began October 1, 2001.

**Jordanelle Special Service District Special Assessment Bond, Series 2000B**

During 2000, the Jordanelle Special Service District issued Special Assessment Bond, Series B, in the amount of \$9,000,000. This bond was used to pay off the interim warrants from the State of Utah which was used to finance the construction of the Ross Creek Water Treatment Plant. The bond was originally payable over a ten-year period with a 7.1% interest rate. Annual payments begin January 1,

**WASATCH COUNTY**  
**Notes to Financial Statements**

December 31, 2006

**NOTE 4 – LONG-TERM DEBT (CONTINUED)**

2002. A portion of the bond was refunded on December 29, 2005 by the Special Assessment Refunding Bonds, Series 2005A and 2005B. The remaining balance of \$853,000 was paid in January 2006.

**Jordanelle Special Service District Special Assessment Bond, Series 2000C**

During 2000, the Jordanelle Special Service District issued Special Assessment Bond, Series C, in the amount of \$5,568,331. This bond was used to pay off the interim warrants from the State of Utah which was used to finance the construction of the Ross Creek Water Treatment Plant. The bond was originally payable over a ten-year period with a 7.1% interest rate. Annual payments begin January 1, 2002. A portion of the bond was refunded on December 29, 2005 by the Special Assessment Refunding Bonds, Series 2005A and 2005B. The remaining balance of \$528,000 was paid in January 2006.

**Jordanelle Special Service District Special Assessment Bond, Series 2000D**

During 2001, the Jordanelle Special Service District issued Special Assessment Bond, Series D, in the amount of \$15,736,669. This bond was used to pay off the interim warrants from Zion's Bank which were used to finance the construction of infrastructure related to the Ross Creek Water Treatment Plant. The bond was originally payable over a ten-year period with a 7.35% interest rate. Annual payments begin January 1, 2002. A portion of the bond was refunded on December 29, 2005 by the Special Assessment Refunding Bonds, Series 2005A and 2005B. The remaining balance of \$1,485,000 was paid January 2006.

**Jordanelle Special Service District Certificates of Participation**

These certificates were issued in 2002 in the amount of \$600,000. They were used to purchase the land on which the Wastewater Reclamation Facility will be built. The certificates will be payable over a ten-year period with interest rates ranging from 2.8% to 4.6%. Annual payments began April 1, 2003.

**Jordanelle Special Service District Certificates of Participation**

In June 2002, the District entered into an agreement with Mountain View Ranches, LLC to purchase water rights for 600 acre feet of water in the amount of \$3,000,000. The 600 acre feet will be purchased in one block of 200 acre feet in 2002 for \$1,000,000, and blocks of 100 acre feet over the next four years for \$500,000 each. Five annual payments will be made for each block of water purchased with an interest rate of 7.5% per annum. In March 2003, the contract was renegotiated in order to purchase water rights for 660.564 acre feet of water over an eight year period. In December 2003, these certificates were issued in the amount of \$3,853,000 to pay off the agreement with Mountain View Ranches, LLC. The certificates will be payable over a twenty-year period with



**WASATCH COUNTY**  
**Notes to Financial Statements**

December 31, 2006

**NOTE 4 — LONG-TERM DEBT (CONTINUED)**

an interest rate ranging from 3.15% to 6.0%. Annual payments began May 15, 2004.

**Jordanelle Special Service District Special Assessment Bond, Series 2005A and 2005B**

The District issued \$15,670,000 in Special Assessment Refunding Bonds, Series 2005A and 2005B, to provide resources to purchase U.S. Government securities that were placed in an irrevocable trust for the purpose of generating resources for the balance of all future debt service payments of \$17,758,000 of Special Assessment Bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the statement of net assets. This advance refunding was undertaken to reduce total debt service payments over the next 6 years by \$2,789,115 and resulted in an economic gain of \$1,103,011. These bonds are payable over a 5 year period with interest rates ranging from 3.9% to 4.2%. Annual payments begin January 1, 2007.

**Jordanelle Special Service District Tuhaye Special Assessment Bond**

This bond was issued in 2005 in the amount of \$20,690,000. Bond proceeds are being used to fund infrastructure and development of the Tuhaye Development. This bond is payable over a 20-year period with a variable interest rate. The interest rate is reset weekly with interest paid monthly. Annual payments began September 1, 2006. Assessment prepayments from project sales began in September 2005, to redeem bonds.

**North Village Special Service District Interim Warrants**

In order to fund the construction of the water and sewer line infrastructure, the District issued interim warrants drawn on Zions First National Bank bearing interest of between 3.20 percent and 6.40 percent. The warrants were paid off in 2006 with the issuance of Special Assessment Bond, Series 2006.

**North Village Special Service District Special Assessment Bond, Series 2006**

This bond was issued in 2006 in the amount of \$6,519,682. This bond was used to payoff the interim warrants from Zions First National Bank which were used to finance the construction and installation of main sewer and water lines and related facilities. The bond is payable over a 15 year period with interest rates ranging from 5.32 percent to 5.45 percent. Annual payments will begin August 1, 2007.

**Jack and Bette Anderson Note**

On May 25, 1995, the Solid Waste Disposal Special Service District entered into an agreement with Jack and Bette Anderson to purchase land for \$231,000 to be used for a solid waste transfer station. The Special Service District paid \$52,000 in cash and executed a note for the balance of \$179,000 at 6% interest per annum. Monthly payments of \$1,511 began July 1, 1995 and continue until maturity, June 1, 2010. The note is secured by a trust deed on the land.

**WASATCH COUNTY**  
**Notes to Financial Statements**

December 31, 2006

**NOTE 4 — LONG-TERM DEBT (CONTINUED)**

**Wasatch View Acres Road Asphalt Overlay Line of Credit #1**

On February 9, 1998 the Wasatch View Acres Special Service District borrowed \$137,866 from Zions First National Bank to finance a road asphalt overlay project. The line of credit is payable in annual installments of \$10,004 beginning in January 1999 and going through January 2008 and accrues interest at 3.19%. The line of credit was paid off in December 2006.

**Wasatch County Subdivision Line of Credit**

On February 14, 2000 the Wasatch County Subdivision Special Service District borrowed \$129,014.71 from Zions First National Bank to finance the Heber Estates project. The line of credit is payable in annual installments of \$11,027 beginning June 1, 2000 and going through June 1, 2009 and accrues interest at 3.19%.

**Wasatch County Municipal Building Authority CIB Loan**

In 1990, the Wasatch County Municipal Building Authority borrowed \$160,000 from the Community Impact Board (CIB) to finance the construction of the Heber Valley Chamber of Commerce visitors' center. The loan bears interest at 3.63%. Principal and interest payments of \$11,258 are due on December 30th of each year through 2011.

**Wasatch County General Obligation Refunding Bonds, Series 2004**

In April 2004, the Wasatch County Special Service District No. 21 issued General Obligation Recreation Refunding Bonds in the amount of \$1,603,000. The bonds are Fixed-Rate Term Bonds maturing on March 1, 2015. Interest on the bonds accrues semi-annually on September 1 and March 1 with an annual interest rate of 3.7%. The bonds are secured by the proceeds of ad valorem taxes to be levied on all taxable property in the County.

**Wasatch County General Obligation Recreation Bonds, Series 1996**

On August 15, 1996, the Wasatch County Special Service District No. 21 issued General Obligation Recreation Bonds in the amount of \$2,250,000. The issue consisted of \$1,570,000 of Serial Bonds maturing on March 2, 1998 through 2012 with rates ranging from 5% to 5.55% and \$680,000 of Term Bonds due March 1, 2016 with a rate of 5.7%. These bonds were paid off with the General Obligation Refunding Bonds, Series 2004 during 2006.

**WASATCH COUNTY**  
**Notes to Financial Statements**

December 31, 2006

**NOTE 4 – LONG-TERM DEBT (CONTINUED)**

**U.S. Department of Agriculture**

During 2001, the County made renovations on the County Services building with funds obtained from the U.S. Department of Agriculture. The County borrowed \$200,000 and makes monthly principal and interest payments of \$1,334 until May of 2021. The note bears interest at 5.125%.

**Melvin Montgomery Trust Deed Note**

In November of 2002, the County bought 7.33 acres of land from Melvin and Ruth Montgomery and the Richard S. Williams Family Living Trust with a note payable of \$141,525. The note requires annual payments of \$35,446 at 8% interest until November of 2007. The note is secured by a trust deed on the land.

**Don Hicken Trust Deed Note**

In December of 2002, the County bought 20.816 acres of land from the Don L. Hicken Family Trust with a note payable of \$942,500. The note requires semi-annual payments of \$48,086 at 6% until January of 2018.

**Wasatch County Sales Tax Revenue and Refunding Bonds Series 2002**

In June of 2002, the County issued \$3,855,000 of sales tax revenue and refunding bonds to finance the construction of a special events center and to refinance the 1999 Wasatch County Municipal Building Authority Revenue Bonds. The sales tax revenue and refunding bonds are due in annual principal installments ranging from \$125,000 to \$270,000 beginning in 2002 and going through December 1, 2022. The bonds accrue interest at rates ranging from 3.00% to 5.00%. Interest is payable semi-annually on June 1st and December 1st of each year.

**Wasatch County General Obligation and Refunding Bonds, Series 2002**

In October of 2002, the County issued \$8,565,000 of general obligation and refunding bonds to finance the construction of a new library and senior citizens building and to refinance the 1993 General Obligation Public Building Bonds. The general obligation and refunding bonds are due in annual principal installments ranging from \$165,000 to \$660,000 beginning in 2002 and going through December 1, 2022. The bonds accrue interest at rates ranging from 3.40% to 4.90%. Interest is payable annually on December 1<sup>st</sup> of each year.

**WASATCH COUNTY**  
**Notes to Financial Statements**

December 31, 2006

**NOTE 4 – LONG-TERM DEBT (CONTINUED)**

**Wasatch County Lease Revenue Bonds, Series 2003**

In August of 2003, the County issued \$1,490,000 of lease revenue bonds to refinance the 1995 Municipal Building Authority Revenue Bonds. The lease revenue bonds are due in annual principal installments ranging from \$65,000 to \$135,000 beginning in 2003 and going through October 1, 2016. The bonds accrue interest at rates ranging from 3.00% to 5.00%. Interest is payable semi-annually on April 1<sup>st</sup> and October 1<sup>st</sup> of each year.

**Wasatch County Special Assessment Bond**

In May of 2003, the County purchased Hicken property, which is a part of the 1200 South Special Improvement District for the construction of the library and senior citizen building. The Heber City Council adopted Ordinance #2001-12 which authorized the method of assessment and specific levy against benefited properties on 1200 South. As a benefited property, Wasatch County has assumed a 6.3099% interest in the Heber City Road Assessment Bond. The bond payments to Heber City are due in annual principal payments ranging from \$6,221 to \$8,708 beginning in 2003 and going through July 25, 2011. Interest on the bond accrues at rates ranging from 4.35% to 5.15% and is payable annually on July 25<sup>th</sup> of each year.

**U.S. Department of Agriculture Public Safety Revenue Bond, Series 2005**

In December of 2005, the County issued \$108,100 of public safety revenue bonds to acquire an ambulance and related equipment. The public safety revenue bonds are due in annual principal installments ranging from \$8,952 to \$12,878 beginning in 2006 and going through December 23, 2015. The bonds accrue interest at a fixed rate of 4.125%. Interest is paid annually.

**U.S. Department of Agriculture Solid Waste Revenue Bond, Series 2005**

In December of 2005, the County issued \$160,000 of solid waste revenue bonds to acquire a garbage truck and related equipment. The solid waste revenue bonds are due in monthly principal installments ranging from \$1,081 to \$1,396 beginning in January 2006 and going through December 23, 2015. The bonds accrue interest at a fixed rate of 4.125%. Interest is paid monthly.

**WASATCH COUNTY**  
**Notes to Financial Statements**

December 31, 2006

**NOTE 5 – CAPITAL LEASE COMMITMENTS**

The following is a schedule by year of future minimum lease payments under capital lease together with the present value of the minimum lease payments.

**Future Minimum Lease Commitments**

Year ending December 31:	Primary Government	
	Governmental Activities	Business-Type Activities
2007	14,195	232,511
2008	14,195	229,831
2009	7,098	231,631
2010	-	233,231
2011	-	234,586
2012-2016	-	982,737
2017-2021	-	818,500
2022	-	162,750
Total future minimum lease payments	35,488	3,125,777
Less interest	(2,864)	(903,172)
Present value of minimum lease payments	32,624	2,222,605
Amount due within one year	(12,343)	(130,658)
Amount due after one year	20,281	2,091,947

**Changes in Capital Lease Long-Term Obligation**

	Governmental Activities	Business-Type Activities
Balance At January 1, 2006	58,147	2,353,777
Increase in Lease Obligations	-	-
Decrease in Lease Obligations	(25,523)	(131,172)
Balance at December 31, 2006	32,624	2,222,605

# WASATCH COUNTY

## Notes to Financial Statements

December 31, 2006

### NOTE 5 – CAPITAL LEASE COMMITMENTS (CONTINUED)

All lease-purchase agreements contain fiscal funding clauses which allow cancellation of the lease if future funding is not budgeted by the governing body.

The lease-purchase agreements listed above meet the requirements of a capital lease pursuant to FASB Statement 13. Therefore the related assets are capitalized and depreciated in the government-wide financial statements and in proprietary and fiduciary funds. Current lease payments are shown as debt service payments in the appropriate funds.

### NOTE 6 – OPERATING LEASES

The County has entered into non-cancelable leases for copy machines and equipment. Operating leases are leases for which the County will not gain title to the property being leased; therefore, the related assets and liabilities are not recorded on the County's books. Operating lease payments are recorded as expenditures when paid. Total operating lease payments for 2006 were \$56,715. Future minimum obligations under existing operating leases are as follows:

Year ending December 31:	Governmental Activities	Business-Type Activities	Total
2007	86,481	-	86,481
2008	57,097	-	57,097
2009	45,339	-	45,339
2010	33,343	-	33,343
2011	0	-	0
Total	222,260	-	222,260

### NOTE 7 - RETIREMENT PLANS

The County participates in the Utah Retirement System (URS), which is a cost-sharing multiple-employer Public Employee Retirement System (PERS), defined benefit pension plan covering substantially all employees of the State of Utah and employees of other participating local governmental units. The URS administers the following separate retirement systems in which the County participates: the Noncontributory Public Employees Retirement System and the Public Safety Retirement System. Under the Noncontributory Public Employees system the County contributed 11.09% of eligible employees' earnings for the period January through June, 2006, and 11.59% for the period July through December, 2006. Under the Public Safety Retirement System the County paid a total of 19.34% of eligible employees' earnings for the period January through June, 2006, and 22.38% for the period July through December, 2006. Elected officials have the option of not being covered under these plans. The elected officials may have the County's retirement contributions made to a qualified retirement plan of their choice.

# WASATCH COUNTY

## Notes to Financial Statements

December 31, 2006

### NOTE 7 - RETIREMENT PLANS (CONTINUED)

The payroll subject to retirement contribution to the Utah Retirement System for 2006 was \$6,725,665; the County's total payroll was \$7,513,403. Contributions for 2006 of \$1,047,490 represent 15.57% of total participating employees' salaries and wages. The contribution rate is designed to fund current pension costs as they accrue and to amortize past-service costs over a 40-year period. Contributions to the system were remitted on a timely basis.

The systems have been established and are governed by the respective sections of Chapter 49 of the Utah Code Annotated 1953, as amended, which specify the benefits and required contributions for each retirement plan. A brief summary of eligibility and benefits is as follows:

	CONTRIBUTORY SYSTEM	NONCONTRIBUTORY SYSTEM	PUBLIC SAFETY SYSTEM
<u>Highest Average Salary</u>	<u>Highest 5 years</u>	<u>Highest 3 years</u>	<u>Highest 3 Years</u>
Years of Service	30 years any age	30 years any age	20 years any age
Required/Age	25 years any age	25 years any age	10 years age 60
Eligible for Benefit	20 years age 60	20 years age 60	4 years age 65
	10 years age 62	10 years age 62	
	4 years age 65	4 years age 65	
Benefit Percent	1.10% per year to June 1967		2.5% per year up to 20 years
	1.25% per year to June 1975		2.0% per year over 20 years
	2.00% per year to present		

The County contributions to the Noncontributory Retirement System for December 31, 2006, 2005 and 2004 were \$626,765, \$579,489, and \$482,130 respectively and for the Public Safety Retirement System the contributions for December 31, 2006, 2005 and 2004 were \$255,079, \$228,340, and \$192,391, respectively. The contributions were equal to the required contributions for each year.

Ten-year historical trend information showing URS progress in accumulating sufficient assets to pay benefits when due is presented in the URS December 31, 2006 component unit financial report. A copy of the report may be obtained by writing to the Utah Retirement Systems, 560 East 200 South, Salt Lake City, UT 84102 or by calling 1-800-365-8772.

The County also participates in a 401K retirement plan administered by the URS. This plan meets the requirements of a qualified plan under section 401K of the Internal Revenue Code and covers substantially all eligible employees, except public safety employees. Under the plan, the County contributed 4.0% of eligible earnings for employees participating in the URS noncontributory system described above. As noted in the first paragraph of this note, elected officials in the County who have elected not to be covered under the Utah Retirement Systems may have equivalent contributions made for them to the 401K plan. The employees have the option of making additional voluntary

**WASATCH COUNTY**  
**Notes to Financial Statements**

December 31, 2006

**NOTE 7 – RETIREMENT PLANS (CONTINUED)**

contributions through payroll deductions. The County's expenditure for this plan in 2006 was \$165,645 which was 3.00% of covered payroll of \$5,514,086. Employees are 100% vested in all contributions made to the plan.

**NOTE 8 – EXCESS OF ACTUAL EXPENDITURES OVER BUDGET**

The following departments in the General, Capital Projects, and Enterprise Funds incurred actual expenditures in excess of budgeted expenditures:

	Excess of Expenditures Over Budgeted <u>Amounts</u>	% Over <u>Budget</u>
<b>General Fund</b>		
<u>Department</u>		
Recorder	7,840	1.7
Attorney	12,317	2.6
Senior Citizens	6,823	2.6
Jail Commissary	10,089	6.7
<b>Capital Projects Fund</b>		
Capital Projects	74,284	10.6
<b>Enterprise Fund</b>		
Sanitation	337,931	19.0

**NOTE 9 – JOINT VENTURE – BLUE BENCH LANDFILL**

Wasatch County purchased a one-half interest in Blue Bench Landfill from Duchesne County on July 11, 1995, and entered into an interlocal agreement to jointly own, maintain, use and manage the landfill. Duchesne County is designated as the operator of the landfill. Assets and liabilities are owned equally by each of the counties. Expenses are allocated and reported based on each county's percentage of total waste disposal. Each county pays tippage fees equal to their share of expenditures for operating the landfill and any excess tippage fees are due back to the county. The County has recorded this equity interest in the Wasatch County Solid Waste Special Service District, which is an enterprise fund of the County.



**WASATCH COUNTY**  
**Notes to Financial Statements**

December 31, 2006

**NOTE 9 – JOINT VENTURE –BLUE BENCH LANDFILL (CONTINUED)**

Below is a summary of the financial position of Blue Bench Landfill.

	<u>2006</u>
Assets	1,487,614
Liabilities	1,214,792
Total equity	272,822
Joint Venture Debt:	
Long-term	1,085,961
Total Revenues	663,445
Total Operating Expenses	765,623

A complete copy of Blue Bench Landfill's audited financial statements as of December 31, 2006 is available at the Duchesne County offices or at the Wasatch County Clerk/Auditor's office.

**NOTE 10 – TRANSFERS**

The following is a summary of inter-fund transfers during 2006:

<u>Description</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	39,050	
Special Revenue Funds		
911 Emergency Service		39,050
Convention Bureau	150,000	61,812
Tourist & Recreation	50,000	150,000
Capital Projects Funds		
Correctional Facilities		22,978
Debt Service Funds		
Municipal Building Authority	11,812	
Government Buildings	72,978	50,000
	<u>323,840</u>	<u>323,840</u>

# WASATCH COUNTY

## Notes to Financial Statements

December 31, 2006

### NOTE 11 - CONDENSED FINANCIAL STATEMENTS - DISCRETELY PRESENTED COMPONENT UNITS Condensed Financial Statements for the year ended December 31, 2006, are as follows:

#### Condensed Statement of Net Assets

	Governmental Activities	Business-Type Activities				
		Wasatch County Special Service District #9	Heber Valley Special Service District	Jordan- elle Special Service District	Timber- lakes Water Service District	Business Type Activities Sub- total
<b>ASSETS</b>						<b>Total</b>
Current Assets	667,767	6,942,032	3,265,303	405,313	10,612,648	11,280,415
Noncurrent Assets:						
Restricted Cash			14,353,909	449,185	14,803,094	14,803,094
Prepaid Expenses			170,640		170,640	170,640
Special Assessments			33,359,000		33,359,000	33,359,000
Bond Issuance Costs			1,410,398	32,900	1,443,298	1,443,298
Capital Assets (Net)	1,448,484	13,246,927	84,262,434	4,206,977	101,716,338	103,164,822
Total Assets	2,116,251	20,188,959	136,821,684	5,094,375	162,105,018	164,221,269
<b>LIABILITIES</b>						
Current Liabilities		20,028	9,691,194	241,815	9,953,037	9,953,037
Other Current Liabilities						
Noncurrent Liabilities:						
Long-Term Debt			76,243,225	2,543,723	78,786,948	78,786,948
Total Liabilities		20,028	85,934,419	2,785,538	88,739,985	88,739,985
<b>NET ASSETS</b>						
Capital Assets - Net of Related Debt						
Restricted	1,448,484	13,246,927	45,866,066	1,738,865	60,851,858	62,300,342
Unrestricted	667,767	5,711,559	6,652,370	246,803	12,610,732	13,278,499
		1,210,445	(1,631,171)	323,169	(97,557)	(97,557)
Total Net Assets	2,116,251	20,168,931	50,887,265	2,308,837	73,365,033	75,481,284
Total Liabilities and Net Assets	2,116,251	20,188,959	136,821,684	5,094,375	162,105,018	164,221,269

**WASATCH COUNTY**  
**Notes to Financial Statements**  
December 31, 2006

**NOTE 11 - CONDENSED FINANCIAL STATEMENTS - DISCRETELY PRESENTED  
COMPONENT UNITS (CONTINUED)**

Condensed Financial Statements for the year ended December 31, 2006, are as follows:

**Condensed Statement of Revenues, Expenses and Changes in Net Assets**

*Governmental Activities*

	Wasatch County Special Service District #9	Total
Revenues	854,693	854,693
Current Expenses	(276,876)	(276,876)
Change in Net Assets	577,817	577,817
Net Assets - Beginning	1,538,434	1,538,434
Net Assets - Ending	<u>2,116,251</u>	<u>2,116,251</u>

*Business-Type Activities*

	Heber Valley Special Service District	Jordan- elle Special Service District	Timber- lakes Water Special Service District	Total
Operating Revenues	563,838	17,444,794	959,902	18,968,534
Operating Expenses:				
Depreciation	(406,313)	(1,418,448)	(71,937)	(1,896,698)
Other	(447,861)	(5,353,678)	(537,276)	(6,338,815)
Operating Income (Loss)	(290,336)	10,672,668	350,689	10,733,021
Non-Operating Revenues (Expenses):				
Interest Income	56,662	632,074	22,908	711,644
Interest Expense		(2,654,199)	(109,683)	(2,763,882)
Impact Fees	1,356,324	472,134		1,828,458
Land Rent	8,337			8,337
Loss on Maturity of Investments		(103,769)		(103,769)
Gain (Loss) on Sale of Assets	83,944	(6,000)		77,944
Total Non-Operating Revenues (Expenses)	1,505,267	(1,659,760)	(86,775)	(241,268)
Change in Net Assets	1,214,931	9,012,908	263,914	10,491,753
Net Assets - Beginning	18,954,000	41,874,357	2,044,923	62,873,280
Net Assets - Ending	<u>20,168,931</u>	<u>50,887,265</u>	<u>2,308,837</u>	<u>73,365,033</u>

**WASATCH COUNTY**  
**Notes to Financial Statements**

December 31, 2006

**NOTE 12 – DEFICIT NET ASSETS**

For the year ended December 31, 2006, the County had negative equity in the Parks and Recreation Special Revenue Fund.

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**REQUIRED  
SUPPLEMENTARY  
INFORMATION  
“UNAUDITED”**

**WASATCH COUNTY**  
**Condition Rating of the County's Road System**  
December 31, 2006

	Total Miles	Total Miles	Total Miles	Total Miles	Percentage of Lane-Miles in Good or Better Condition			
	2003	2004	2005	2006	2003	2004	2005	2006
Paved	122.0	122.3	121.8	108.3	85.26%	85.29%	85.00%	80.00%
Gravel	55.0	53.3	54.9	56.9	49.64%	48.85%	48.00%	50.00%
Dirt	0.0	0.0	0.0	0.0	0.00%	0.00%	0.00%	0.00%
Overall system	177.0	175.6	176.7	165.1	63.33%	63.14%	62.05%	60.00%

	Total Miles	Total Miles	Total Miles	Total Miles	Percentage of Lane-Miles in Poor Condition			
	2003	2004	2005	2006	2003	2004	2005	2006
Paved	21.1	21.1	20.3	27.1	14.74%	14.71%	14.29%	20.00%
Gravel	55.8	55.8	59.5	56.9	50.36%	51.15%	52.00%	50.00%
Dirt	25.6	25.6	25.9	25.9	100.00%	100.00%	100.00%	100.00%
Overall system	102.5	102.5	105.7	109.8	36.67%	36.86%	37.95%	40.00%

	Total Miles	Total Miles	Total Miles	Total Miles	Comparison of Needed-to-Actual Maintenance/Preservation			
	2003	2004	2005	2006	2003	2004	2005	2006
Paved:								
Needed	21.1	21.1	20.3	27.1				
Actual	6.0	0.0	3.0	6.0	28.44%	0.00%	14.29%	22.00%
Gravel:								
Needed	55.8	55.8	59.5	56.9				
Actual	0.0	0.0	10.0	0.0	0.00%	0.00%	17.92%	0.00%
Dirt:								
Needed	25.6	25.6	25.9	25.9				
Actual	0.0	0.0	0.0	0.0	0.00%	0.00%	0.00%	0.00%
Overall system:								
Needed	102.5	102.5	105.7	109.8				
Actual	6.0	0.0	13.0	6.0	5.89%	0.00%	12.76%	5.46%
Difference	96.5	102.5	92.7	103.8	94.11%	100.00%	87.24%	94.54%

The condition of road pavement is measured using the American ..... (AASHTO) pavement management system, which is based on stress factors found in pavement surfaces. The AASHTO pavement management system uses a measurement scale that is based on a condition index ranging from zero for a failed pavement to 100 for a pavement in perfect condition. The condition index is used to classify roads in good condition (70-100), fair condition (50-69), and substandard condition (less than 50). It is the County's policy to maintain at least 60 percent of its road system at a good or better condition level. No more than 15 percent should be in substandard condition. Condition assessments are determined every year.

This schedule only presents the information for the last four years. GASB standards require reporting the last three complete condition assessments and needed-to-actual information for 5 years. However, the County implemented these new standards in 2003, and did not collect this information for prior years. The County will continue to collect and retain this information so that over a period of five years it will be able to report the required information.

**WASATCH COUNTY**  
**Budgetary Comparison Schedule**  
**General Fund**  
For the Year Ended December 31, 2006

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note A)	Variance With Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, January 1	3,211,595	3,211,595	3,211,595	
Resources (Inflows):				
<u>Taxes:</u>				
Property taxes - current	3,463,524	3,461,493	3,673,261	211,768
Property taxes - delinquent	155,660	155,660	177,720	22,060
Assessing and collecting taxes	548,135	557,568	537,963	(19,605)
Fee in lieu of taxes	267,809	267,809	353,001	85,192
General sales and use taxes	1,236,205	1,483,446	1,564,794	81,348
Penalties and interest	93,154	93,154	90,676	(2,478)
Total Taxes	5,764,487	6,019,130	6,397,415	378,285
<u>Licenses and Permits:</u>				
Business licenses	15,000	15,000	14,610	(390)
Excavating permits	10,000	10,000	11,202	1,202
Building permits	950,000	950,000	1,178,624	228,624
Marriage licenses	3,500	3,500	3,210	(290)
Engineer inspection fees	700,000	797,500	2,049,859	1,252,359
Total Licenses and Permits	1,678,500	1,776,000	3,257,505	1,481,505
<u>Intergovernmental Revenue:</u>				
W.A.D.E.N. contract	5,000	5,000	5,000	-
Homeland security grants		200,000	230,291	30,291
Public safety grants	37,337	37,337	207,158	169,821
Department of Aging contracts	56,000	56,000	42,013	(13,987)
Title XX			1,766	1,766
Surveyor grants	25,000	30,600	30,600	-
Forest reserve	68,000	68,000	72,266	4,266
State wildland fire	53,297	53,297		(53,297)
State payment-in-lieu of taxes	6,235	6,235	6,568	333
Federal payment-in-lieu of taxes	590,234	614,855	614,855	-
Flood damage contracts	4,269	4,269		(4,269)
Children's Justice Center state grant	98,361	98,361	99,416	1,055
Drug and alcohol contracts	232,339	232,339	225,926	(6,413)
Mental health contract	229,600	229,600	234,451	4,851
Emergency management contract	8,400	8,400	7,000	(1,400)
Water quality study contract	54,500	54,500	64,881	10,381
Ambulance grants	13,041	13,041	18,677	5,636
Victims Advocate grant	33,990	33,990	37,340	3,350
State coyote bounty	2,500	2,500	2,220	(280)
Travel Demand Model grant			12,000	12,000
Public lands grant			5,000	5,000
Justice Court grant			23,300	23,300
Total Intergovernmental Revenue	1,518,103	1,748,324	1,940,728	192,404

**WASATCH COUNTY**  
**Budgetary Comparison Schedule**  
**General Fund**  
For the Year Ended December 31, 2006

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	(Budgetary Basis)	Final Budget
			(See Note A)	Positive
				(Negative)
Resources (Inflows) Continued:				
<u>Charges for Services:</u>				
Engineering & construction inspection	42,792	42,792	867	(41,925)
Attorney's fees	3,000	3,000	3,826	826
Recording of legal documents	250,000	250,000	316,021	66,021
Zoning and subdivision fees	175,000	375,000	249,435	(125,565)
Restoration - Recorder	3,000	3,000		(3,000)
Sale of maps and publications	14,000	14,000	16,606	2,606
Auditor's fees	72,000	72,000	47,772	(24,228)
Assessor's fees	45,000	45,000	47,835	2,835
Photocopy charges	32,000	32,000	69,613	37,613
Survey fees	5,500	5,500	5,530	30
Special sheriff services	1,031,000	1,031,000	1,048,111	17,111
Work crew	56,947	56,947	-	(56,947)
Work release fees	12,000	12,000	25,758	13,758
Law enforcement contracts	38,000	38,000	36,446	(1,554)
Emergency medical/Ambulance	330,000	330,000	345,293	15,293
Weed removal	3,000	3,000	11,147	8,147
Mental health	241,000	241,000	117,527	(123,473)
Drug and alcohol client fees	76,551	76,551	34,261	(42,290)
Janitor services	15,864	15,864		(15,864)
Congregate meals	53,000	53,000	33,334	(19,666)
GIS Prints	16,000	16,000	17,547	1,547
Midway building inspection			3,354	3,354
County fair	83,960	83,960	101,558	17,598
Jail commissary			153,984	153,984
Miscellaneous	3,700	3,700	13,435	9,735
Total Charges For Services	2,603,314	2,803,314	2,699,260	(104,054)
<u>Fines and Forfeitures:</u>				
Justice court fines	488,000	488,000	454,488	(33,512)
District court fines	10,000	10,000	6,541	(3,459)
Miscellaneous court fines	12,000	12,000	5,355	(6,645)
Security surcharge	120,000	120,000	117,663	(2,337)
Total Fines and Forfeitures	630,000	630,000	584,047	(45,953)
<u>Other Revenues:</u>				
Sale of fixed assets	35,000	35,000	63,400	28,400
Interest income		4,274	117,372	113,098
Rental income	1,500	1,500		(1,500)
Lease contracts	25,610	25,610	11,640	(13,970)
State court lease maintenance	39,670	39,670	39,670	
Phone commission - jail	20,000	20,000	27,702	7,702
Miscellaneous	8,590	51,000	80,838	29,838
Total Other Revenues	130,370	177,054	340,622	163,568



**WASATCH COUNTY**  
**Budgetary Comparison Schedule**  
**General Fund**  
For the Year Ended December 31, 2006

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note A)	Variance With Final Budget Positive (Negative)
	Original	Final		
Resources (Inflows) Continued:				
<u>Other Financing Sources:</u>				
Transfers from other funds	39,050	39,050	39,050	
Bond proceeds		98,100	98,100	
Contributions	46,171	101,108	118,319	17,211
Total Other Financing Sources	85,221	238,258	255,469	17,211
Amounts Available For Appropriation	15,621,590	16,603,675	18,686,641	2,082,966
Charges to Appropriations (Outflows):				
<u>General Government:</u>				
County Manager	169,972	172,278	164,763	7,515
Board of Council	292,484	293,728	239,454	54,274
District and Circuit Courts	131,000	131,000	99,590	31,410
Justice Court	166,167	169,136	145,782	23,354
Children's Justice Center	116,454	127,240	118,550	8,690
Central Purchasing	288,405	441,805	417,829	23,976
Personnel	81,472	94,449	90,510	3,939
Clerk Auditor	412,830	412,830	393,216	19,614
Treasurer	179,552	180,971	178,370	2,601
Recorder	419,988	454,893	462,733	(7,840)
Attorney	462,164	468,228	480,545	(12,317)
Assessor	496,821	500,103	451,807	48,296
Surveyor	140,106	159,222	159,044	178
Engineer	232,702	236,101	225,827	10,274
General Government Buildings	529,186	642,920	598,616	44,304
Grants	16,008	316,008	293,486	22,522
Elections	44,500	44,500	20,832	23,668
Subdivision Out of Pocket		200,000	105,071	94,929
Planning and Zoning	634,680	645,585	616,903	28,682
Building Inspector	520,759	548,024	472,977	75,047
Total General Government	5,335,250	6,239,021	5,735,905	503,116
<u>Public Safety:</u>				
Sheriff	1,665,463	1,717,463	1,676,557	40,906
Dispatch/Jail	445,750	449,847	439,081	10,766
Ambulance	375,282	390,240	390,240	
Wildland Fire	115,260	115,260	97,424	17,836
Corrections	1,345,376	1,425,740	1,417,595	8,145
Weed and Pest Control	184,866	192,297	134,172	58,125
Animal Control and Regulations	65,000	85,000	75,569	9,431
Emergency Management	7,000	7,000	733	6,267
Jail Commissary	150,000	150,000	160,089	(10,089)
Total Public Safety	4,353,997	4,532,847	4,391,460	141,387

**WASATCH COUNTY**  
**Budgetary Comparison Schedule**  
**General Fund**

For the Year Ended December 31, 2006

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note A)	Variance With Final Budget Positive (Negative)
	Original	Final		
Charges to Appropriations (Outflows) Continued:				
<u>Public Health:</u>				
Drug and Alcohol	368,060	368,060	296,214	71,846
Mental Health	522,849	522,849	425,482	97,367
Indigent	1,500	1,500		1,500
Total Public Health	892,409	892,409	721,696	170,713
<u>Streets and Public Improvements:</u>				
Streets and Highways	1,089,893	1,175,274	1,128,602	46,672
Flood Control	5,000	5,000	2,982	2,018
Total Streets and Public Improvements	1,094,893	1,180,274	1,131,584	48,690
<u>Parks, Recreation and Public Property:</u>				
T.V. System	39,000	39,000	10,765	28,235
Victim Advocate	56,912	57,311	57,311	
Total Parks, Recreation and Public Property	95,912	96,311	68,076	28,235
<u>Conservation and Economic Development:</u>				
Extension Services	96,922	99,249	93,367	5,882
County Fair	143,400	175,400	175,240	160
Total Conservation and Economic Development	240,322	274,649	268,607	6,042
<u>Intergovernmental Expenditure:</u>				
Senior Citizens	247,212	264,819	271,642	(6,823)
Total Intergovernmental Expenditure	247,212	264,819	271,642	(6,823)
<u>Other Financing Uses:</u>				
Miscellaneous Expense		61,750	61,750	
Total Other Financing Uses		61,750	61,750	
Total Charges to Appropriations	12,259,995	13,542,080	12,650,720	891,360
Budgetary Fund Balance, December 31	3,361,595	3,061,595	6,035,921	2,974,326

**WASATCH COUNTY**  
**Note A**  
**Budgetary Comparison Schedule**  
**Budget-to-GAAP Reconciliation**  
For The Year Ended December 31, 2006

	<u>General Fund</u>
<b>Sources/Inflows and Resources</b>	
Actual amounts (budgetary basis) available for appropriation from the budgetary comparison schedules.	18,686,641
<b>Differences - Budget to GAAP</b>	
The fund balance at the beginning of the year is a budgetary resource but is not a current-year revenue for financial reporting purposes.	(3,211,595)
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.	(39,050)
Bond proceeds are inflows of budgetary resources but are not revenues for financial reporting purposes.	(98,100)
Contributions are inflows of budgetary resources but are not revenues for financial reporting purposes.	<u>(118,319)</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u><u>15,219,577</u></u>
<b>Uses/Outflows of Resources</b>	
Actual amounts (budgetary basis) total charges to appropriations from the budgetary comparison schedules.	12,650,720
<b>Differences - Budget to GAAP</b>	
Transfers to other entities are outflows of budgetary resources but are not expenditures for financial reporting purposes.	<u>(61,750)</u>
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u><u>12,588,970</u></u>

**COMBINING  
FINANCIAL  
STATEMENTS  
AND SCHEDULES**

**WASATCH COUNTY**  
**Combining Statement of Changes in Assets and Liabilities**  
**All Agency Funds**  
For The Year Ended December 31, 2006

	Balance December 31, 2005	Additions	Deletions	Balance December 31, 2006
<b>Treasurer's Tax Account</b>				
<b>Assets</b>				
Restricted cash and cash equivalents	10,494,408	27,488,662	25,158,535	12,824,535
Accounts receivable	638,062	629,118	638,062	629,118
<b>Total Assets</b>	<u>11,132,470</u>	<u>28,117,780</u>	<u>25,796,597</u>	<u>13,453,653</u>
<b>Liabilities</b>				
Due to taxing units	<u>11,132,470</u>	<u>28,117,780</u>	<u>25,796,597</u>	<u>13,453,653</u>
<b>Midway Bond Holding Fund</b>				
<b>Assets</b>				
Restricted cash and cash equivalents	<u>27,945</u>	<u>1,424</u>		<u>29,369</u>
<b>Liabilities</b>				
Collections payable	<u>27,945</u>	<u>1,424</u>		<u>29,369</u>
<b>Clerk's Court Trust Fund</b>				
<b>Assets</b>				
Restricted cash and cash equivalents	<u>238,880</u>	<u>71,679</u>	<u>39,981</u>	<u>270,578</u>
<b>Liabilities</b>				
Collections payable	<u>238,880</u>	<u>71,679</u>	<u>39,981</u>	<u>270,578</u>
<b>Payroll Fund</b>				
<b>Assets</b>				
Restricted cash and cash equivalents	372,596	1,499,338	1,469,443	402,491
Accounts receivable	<u>22,071</u>	<u>21,809</u>	<u>22,071</u>	<u>21,809</u>
<b>Total Assets</b>	<u>394,667</u>	<u>1,521,147</u>	<u>1,491,514</u>	<u>424,300</u>
<b>Liabilities</b>				
Collections payable	<u>394,667</u>	<u>1,521,147</u>	<u>1,491,514</u>	<u>424,300</u>
<b>Justice Court Trust Fund</b>				
<b>Assets</b>				
Restricted cash and cash equivalents	<u>46,197</u>	<u>498,508</u>	<u>489,156</u>	<u>55,549</u>
<b>Liabilities</b>				
Collections payable	46,197	498,508	489,223	55,482
Accounts payable		67		67
	<u>46,197</u>	<u>498,575</u>	<u>489,223</u>	<u>55,549</u>
<b>Totals - All Agency Funds</b>				
<b>Assets</b>				
Restricted cash and cash equivalents	11,180,026	29,559,611	27,157,115	13,582,522
Accounts receivable	<u>660,133</u>	<u>650,927</u>	<u>660,133</u>	<u>650,927</u>
<b>Total Assets</b>	<u>11,840,159</u>	<u>30,210,538</u>	<u>27,817,248</u>	<u>14,233,449</u>
<b>Liabilities</b>				
Due to taxing units	11,132,470	28,117,780	25,796,597	13,453,653
Accounts payable		67		67
Collections payable	<u>707,689</u>	<u>2,092,758</u>	<u>2,020,718</u>	<u>779,729</u>
<b>Total Liabilities</b>	<u>11,840,159</u>	<u>30,210,605</u>	<u>27,817,315</u>	<u>14,233,449</u>

WASATCH COUNTY

Combining Balance Sheet for Nonmajor Funds

December 31, 2006

General Fund	Special Revenue Funds										Capital Project Funds				Debt Service Funds			Total Nonmajor Govt. Funds
	Parks & Recreation		Municipal Services	Library	Convention Bureau	Tourist & Recreation	Liquor Distribution	Emergency 911 Service	Correctional Facilities	Special Events Center	Library & Senior Ctr.	Wm. Co. Fire Protect.	Municipal Building Auth.	Government Buildings	Parks & Recreation			
	Wm. Co. Fire Protect.	Health																
ASSETS																		
Cash & Cash Equivalents	116,227	481,540	683,428	151,376	112,260	82,824	72,406	161,954	846,129	146,637	2,482	804,568	14,141	1,144,203	373,536	5,193,711		
Restricted Cash & Cash Equivalents																		
Receivable with Treasurer	140,941	325,027		303,388							99,571		12,037	459,557	186	571,351		
Accounts Receivable	119,387	2,135	148,470		82,024	38,052		39,361						350,984	106,283	1,226,623		
Due from Other Govt. Entities	288,433														174,506	603,935		
Deposits	389,118															288,433		
Total Assets	793,778	741,868	327,162	831,898	454,764	194,284	120,876	201,315	846,129	146,637	102,053	804,568	26,178	1,954,744	654,511	8,273,171		
LIABILITIES AND FUND BALANCES																		
Liabilities																		
Accounts Payable	1,990	5,671	4,660	24,751	2,004			3,198	17,846	12,396						72,426		
Accrued Payroll	4,981															4,981		
Accrued Compensated Absences																103,225		
Due to Fire District		74,110	12,208	16,440	467				50,215							50,215		
Due to Other Funds			464,982													464,982		
Other Liabilities	2,745															2,745		
Total Liabilities	9,626	79,781	481,850	24,751	18,444	467	0	3,198	68,061	12,396	0	0	0	0	0	698,574		
Fund balances																		
Reserved:																		
Impact Fees																912,309		
Liquor Distribution								72,406	778,068	134,241						72,406		
Emergency 911 Service								198,117								198,117		
Municipal Services				807,147												807,147		
Capital Projects Funds											102,053	804,568				906,621		
Debt Service Funds													26,178	1,954,744		1,980,922		
Unreserved:															654,511	654,511		
General Funds	784,152															784,152		
Special Revenue Funds		662,087	(154,688)		436,320	193,817	120,876									1,258,412		
Total Fund Balances	784,152	662,087	(154,688)	807,147	436,320	193,817	120,876	198,117	778,068	134,241	102,053	804,568	26,178	1,954,744	654,511	7,574,597		
Total Liabilities & Fund Balance	793,778	741,868	327,162	831,898	454,764	194,284	120,876	201,315	846,129	146,637	102,053	804,568	26,178	1,954,744	654,511	8,273,171		



**WASATCH COUNTY**  
**Combining Statement of Net Assets**  
**Nonmajor Proprietary Funds**  
December 31, 2006

	Nonmajor Business-Type Activities - Enterprise Funds				
	Heber Estates District	Wasatch View Acres District	Strawberry Lakeview District	Special Service Area #1	Total
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash & Cash Equivalents	2,597		12,647	832,764	848,008
Receivables - Net			2,168	266,830	268,998
<b>Total Current Assets</b>	<b>2,597</b>	<b>0</b>	<b>14,815</b>	<b>1,099,594</b>	<b>1,117,006</b>
<b>Noncurrent Assets</b>					
Equipment			1,696	25,955	27,651
Infrastructure	127,715	342,962	413,033	3,866	887,576
Accumulated Depreciation	(27,671)	(110,486)	(65,320)	(25,119)	(228,596)
<b>Total Noncurrent Assets</b>	<b>100,044</b>	<b>232,476</b>	<b>349,409</b>	<b>4,702</b>	<b>686,631</b>
<b>Total Assets</b>	<b>102,641</b>	<b>232,476</b>	<b>364,224</b>	<b>1,104,296</b>	<b>1,803,637</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Accounts Payable			83	450	533
Accrued Interest Payable	947				947
Due to Other Funds		6,574			6,574
Due to Other Governmental Entities			431	292,117	292,548
Deferred Revenue		1,357		405,731	407,088
Current Portion of Notes Payable	9,548				9,548
<b>Total Current Liabilities</b>	<b>10,495</b>	<b>7,931</b>	<b>514</b>	<b>698,298</b>	<b>717,238</b>
<b>Noncurrent Liabilities</b>					
Notes Payable	18,371				18,371
Other Noncurrent Liabilities			110,000		110,000
<b>Total Noncurrent Liabilities</b>	<b>18,371</b>	<b>0</b>	<b>110,000</b>	<b>0</b>	<b>128,371</b>
<b>Total Liabilities</b>	<b>28,866</b>	<b>7,931</b>	<b>110,514</b>	<b>698,298</b>	<b>845,609</b>
<b>NET ASSETS</b>					
Invested in Capital Assets, Net of Related Debt	72,125	232,476	349,409	4,702	658,712
Unrestricted	1,650	(7,931)	(95,699)	401,296	299,316
<b>Total Net Assets</b>	<b>73,775</b>	<b>224,545</b>	<b>253,710</b>	<b>405,998</b>	<b>958,028</b>



**WASATCH COUNTY**  
**Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets**

**Nonmajor Proprietary Funds**

For the Year Ended December 31, 2006

	Nonmajor Business-Type Activities - Enterprise Funds				
	Heber Estates District	Wasatch View Acres District	Strawberry Lakeview District	Special Service Area #1	Total
<b>Operating Revenues</b>					
Charges for sales and services	7,265	11,389	10,023	456,533	485,210
Miscellaneous Revenues			17,500	3,306	20,806
Total Operating Revenues	<u>7,265</u>	<u>11,389</u>	<u>27,523</u>	<u>459,839</u>	<u>506,016</u>
<b>Operating Expenses</b>					
Materials, Supplies & Services			10,136	359,633	369,769
Depreciation Expense			8,529	4,425	12,954
Total Operating Expenses	<u>0</u>	<u>0</u>	<u>18,665</u>	<u>364,058</u>	<u>382,723</u>
Operating Income	<u>7,265</u>	<u>11,389</u>	<u>8,858</u>	<u>95,781</u>	<u>123,293</u>
<b>Nonoperating Revenues (Expenses)</b>					
Interest revenue			145	29,337	29,482
Gain on disposal of assets				13,331	13,331
Interest Expense	(1,699)	(668)			(2,367)
Total Nonoperating Revenues (Expenses)	<u>(1,699)</u>	<u>(668)</u>	<u>145</u>	<u>42,668</u>	<u>40,446</u>
Income	<u>5,566</u>	<u>10,721</u>	<u>9,003</u>	<u>138,449</u>	<u>163,739</u>
<b>Change in Net Assets</b>	5,566	10,721	9,003	138,449	163,739
Total Net Assets - Beginning	68,209	213,824	244,707	267,549	794,289
Total Net Assets - Ending	<u>73,775</u>	<u>224,545</u>	<u>253,710</u>	<u>405,998</u>	<u>958,028</u>

**WASATCH COUNTY**  
**Combining Statement of Cash Flows**  
**Nonmajor Proprietary Funds**  
For the Year Ended December 31, 2006

**Nonmajor Business Type Activities - Enterprise Funds**

	Heber Estates District	Wasatch View Acres District	Strawberry Lakeview District	Special Service Area #1	Total
<b>Cash Flows From Operating Activities</b>					
Receipts from customers	12,845	12,713	27,406	924,988	977,952
Payments to suppliers			(23,943)	(303,009)	(326,952)
Payments to employees				(28,907)	(28,907)
Net cash provided by operating activities	12,845	12,713	3,463	593,072	622,093
<b>Cash Flows From Capital and Related Financing Activities</b>					
Principal paid on capital debt	(8,549)	(12,045)			(20,594)
Interest paid on capital debt	(1,699)	(668)			(2,367)
Construction of capital assets			(12,533)		(12,533)
Proceeds from sale of capital assets				16,500	16,500
Net cash provided by capital and related financing activities	(10,248)	(12,713)	(12,533)	16,500	(18,994)
<b>Cash Flows From Investing Activities</b>					
Interest income			145	29,337	29,482
Net cash provided by investing activities	0	0	145	29,337	29,482
Net increase (decrease) in cash and cash equivalents	2,597	0	(8,925)	638,909	632,581
Cash and cash equivalents, January 1	0	0	21,572	193,855	215,427
Cash and cash equivalents, December 31	2,597	0	12,647	832,764	848,008
<b>Reconciliation of operating income to net cash provided (used) by operating activities</b>					
Operating income	7,265	11,389	8,858	95,781	123,293
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation expense			8,529	4,425	12,954
(Increase) decr. in accounts receivable	3,290	3,745	(117)	59,418	66,336
Increase (decr.) in accounts payable	2,523	(19)		27,717	30,221
Increase (decr.) in accrued liabilities	(233)	1,357	(13,807)		(12,683)
Increase in unearned revenue				405,731	405,731
Decrease in due to other funds		(3,759)			(3,759)
Total adjustments	5,580	1,324	(5,395)	497,291	498,800
Net cash provided by operating activities	12,845	12,713	3,463	593,072	622,093

**WASATCH COUNTY**  
**Combining Statement of Net Assets**  
**Internal Service Funds**  
December 31, 2006

	Internal Service Funds				Total
	Computer Replacement	Auto Fleet Maintenance	Auto Fleet Replacement	Information System Services	
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash & Cash Equivalents				27,945	27,945
Internal Balances	75,295	88,632		15,397	179,324
<b>Total Current Assets</b>	<u>75,295</u>	<u>88,632</u>		<u>43,342</u>	<u>207,269</u>
<b>Capital Assets</b>					
Vehicles			589,023		589,023
Equipment				12,000	12,000
Accumulated Depreciation			(78,496)	(3)	(78,499)
<b>Total Capital Assets</b>			<u>510,527</u>	<u>11,997</u>	<u>522,524</u>
<b>Total Assets</b>	<u>75,295</u>	<u>88,632</u>	<u>510,527</u>	<u>55,339</u>	<u>729,793</u>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Accounts Payable	1,242	2,354		13,099	16,695
Internal Balances			179,324		179,324
<b>Total Current Liabilities</b>	<u>1,242</u>	<u>2,354</u>	<u>179,324</u>	<u>13,099</u>	<u>196,019</u>
<b>Noncurrent Liabilities</b>					
Accrued Compensated Absences				11,728	11,728
<b>Total Noncurrent Liabilities</b>				<u>11,728</u>	<u>11,728</u>
<b>Total Liabilities</b>	<u>1,242</u>	<u>2,354</u>	<u>179,324</u>	<u>24,827</u>	<u>207,747</u>
<b>NET ASSETS</b>					
Invested in Capital Assets, Net of Related Debt			331,203	11,997	343,200
Unrestricted	74,053	86,278		18,515	178,846
<b>Total Net Assets</b>	<u>74,053</u>	<u>86,278</u>	<u>331,203</u>	<u>30,512</u>	<u>522,046</u>

**WASATCH COUNTY**  
**Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets**

**Internal Service Funds**

For the Year Ended December 31, 2006

	Internal Service Funds				
	Computer Replacement	Auto Fleet Maintenance	Auto Fleet Replacement	Information System Services	Total
<b>Operating Revenues</b>					
Rent & Maintenance	120,969	53,800	118,819	445,731	739,319
Total Operating Revenues	120,969	53,800	118,819	445,731	739,319
<b>Operating Expenses</b>					
Salaries & Wages				225,529	225,529
Employee Benefits				94,808	94,808
Materials, Supplies & Services	76,015	24,697	14	95,731	196,457
Depreciation Expense			53,766	3	53,769
Total Operating Expenses	76,015	24,697	53,780	416,071	570,563
Operating Income	44,954	29,103	65,039	29,660	168,756
<b>Nonoperating Revenues (Expenses)</b>					
Interest Revenue	3,049	3,046		852	6,947
Total Nonoperating Revenues	3,049	3,046		852	6,947
Income	48,003	32,149	65,039	30,512	175,703
<b>Change in Net Assets</b>	48,003	32,149	65,039	30,512	175,703
Total Net Assets - Beginning	26,050	54,129	266,164		346,343
Total Net Assets - Ending	74,053	86,278	331,203	30,512	522,046

**WASATCH COUNTY**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
For the Year Ended December 31, 2006

	Internal Service Funds				Total
	Computer Replacement	Auto Fleet Maintenance	Auto Fleet Replacement	Information System Services	
<b>Cash Flows From Operating Activities</b>					
Receipts from interfund services provided	120,969	53,800	118,819	470,558	764,146
Payments to suppliers	(74,773)	(22,343)	(14)	(95,731)	(192,861)
Payments to employees				(320,337)	(320,337)
Net cash provided by operating activities	46,196	31,457	118,805	54,490	250,948
<b>Cash Flows From Capital and Related Financing Activities</b>					
Purchase of capital assets			(336,000)	(12,000)	(348,000)
Internal balance borrowing	(75,295)	(88,632)	179,324	(15,397)	0
Net cash provided (used) by capital and related financing activities	(75,295)	(88,632)	(156,676)	(27,397)	(348,000)
<b>Cash Flows From Investing Activities</b>					
Interest income	3,048	3,046		852	6,946
Net cash provided by capital and related financing activities	3,048	3,046	0	852	6,946
Net increase (decrease) in cash and cash equivalents	(26,051)	(54,129)	(37,871)	27,945	(90,106)
Cash and cash equivalents, January 1	26,051	54,129	37,871	0	118,051
Cash and cash equivalents, December 31	0	0	0	27,945	27,945
<b>Reconciliation of operating income to net cash provided (used) by operating activities</b>					
Operating income (loss)	44,954	29,103	65,039	29,660	168,756
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation expense			53,766	3	53,769
Increase in accounts payable	1,242	2,354		13,099	16,695
Increase in accrued liabilities				11,728	11,728
Total adjustments	1,242	2,354	53,766	24,830	82,192
Net cash provided by operating activities	46,196	31,457	118,805	54,490	250,948

**TREASURER'S  
STATEMENTS**

## For the Year Ended December 31, 2006

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# WASATCH COUNTY

## Statement of Treasurer's Receipts and Disbursements - Tax Collection Agency Fund

For the Year Ended December 31, 2006

	Treasurer's Balance January 1, 2006	Tax Collection Receipts	Current Taxes Apportioned	Delinquent Taxes, Interest, and Other Apportioned	Total	Disbursements	Treasurer's Balance December 31, 2006
<b>TREASURER'S COLLECTION ACCOUNTS</b>							
Current years taxes		26,254,045	26,254,045				
Redemption of prior years taxes		1,046,122		1,046,122			
Penalties, interest, and costs		93,404		93,404			
Interest due to General Fund	51,207	95,091		50,000	96,298		96,298
	51,207	27,488,662	26,254,045	1,189,526	96,298		96,298
<b>TAXING UNITS</b>							
<b>County Funds</b>							
General	1,671,404		3,976,094	163,954	5,811,452	3,851,668	1,959,784
Government Buildings	325,256		733,149	90,486	1,148,891	780,028	368,863
Library Bond	230			1,707	1,937	1,886	51
Library	255,110		614,635	24,425	894,170	591,240	302,930
Health	118,843		285,512	12,200	416,555	275,827	140,728
Park and Recreation Bond	66,532		210,746	8,099	285,377	179,255	106,122
Local assessing & collecting taxes	116,879		280,407	12,000	409,286	271,091	138,195
State assessing & collecting taxes	169,975		362,224	17,483	549,682	373,097	176,585
<b>School Districts</b>							
Basic St School Levy	1,690,125		3,911,922	171,524	5,773,571	3,851,662	1,921,909
Wasatch County School District	3,341,428		8,698,930	325,909	12,366,267	8,050,965	4,315,302
Wasatch County School District Bond	1,464,833		3,538,242	139,864	5,142,939	3,399,016	1,743,923
<b>Cities and Towns</b>							
Heber City	271,164		648,457	29,394	949,015	645,951	303,064
Midway	122,796		321,269	17,160	461,225	305,460	155,765
Charleston	5,748		17,624	226	23,598	17,125	6,473
Wallsburg	4,862		13,553	235	18,650	12,286	6,364
Park City	141,872		190,509	1,943	334,324	217,426	116,898
<b>Other Districts</b>							
Parks & Recreation Special Service District #21	274,858		658,683	27,172	960,713	636,177	324,536
Fire Protection Special Service District	252,610		619,464	28,201	900,275	596,536	303,739
Central Utah Water Conservancy District	392,023		918,442	38,241	1,348,706	897,199	451,507
Charleston Water Conservancy District	567		2,100	35	2,702	2,030	672
Soldier Summit Special Service District	323		2,226	991	3,540	2,114	1,426
Park City Fire District	48,362		60,371	883	109,616	73,234	36,382
Midway Sanitation District	13,051		34,459	1,772	49,282	32,860	16,422
Midway Sewer Improvement District	3,265		4,317	1,596	9,178	5,575	3,603
Heber Estates	3,274		5,984		9,258	5,518	3,740
Twin Creeks SSD	1,193		11,253	19,678	32,124	25,927	6,197
Jordanelle SSD			25,573		25,573	3,430	22,143
Wasatch View Acres	1,045				1,045	1,045	
Transfer Station	216				216	216	
Timberlakes Water	1,948		5,900	33,926	41,774	36,297	5,477
Solid Waste Disposal Special Service District	79,644		102,000	20,422	202,066	130,391	71,675
	10,839,436		26,254,045	1,189,526	38,283,007	25,272,532	13,010,475
	10,890,643	27,488,662	-	-	38,379,305	25,272,532	13,106,773



**COMPLIANCE  
SECTION**



# HAWKINS CLOWARD & SIMISTER

CERTIFIED PUBLIC ACCOUNTANTS, LC

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## REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENT PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable County Council Members  
Wasatch County  
Heber City, Utah

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Wasatch County as of and for the year ended December 31, 2006, which collectively comprise the County's basic financial statements and have issued our report thereon dated May 31, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered Wasatch County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Wasatch County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information of management, federal awarding agencies, pass-through entities and the Utah State Auditor's Office and is not intended to be and should not be used by anyone other than these specified parties.

*Hawkins Cloward & Simister, LC*

HAWKINS CLOWARD & SIMISTER, LC  
CERTIFIED PUBLIC ACCOUNTANTS

May 31, 2007



# HAWKINS CLOWARD & SIMISTER

CERTIFIED PUBLIC ACCOUNTANTS, LC

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## REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Honorable County Council Members  
Wasatch County  
Heber City, Utah

### Compliance

We have audited the compliance of Wasatch County, Utah with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 2006. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal programs is the responsibility of Wasatch County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Wasatch County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Wasatch County's compliance with those requirements.

In our opinion, Wasatch County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2006. The results of our auditing procedures disclosed no instances of noncompliance with those requirements that is required to be reported in accordance with OMB Circular A-133.

### Internal Control over Compliance

The management of Wasatch County, Utah is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Wasatch

County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

#### Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Wasatch County as of and for the year ended December 31, 2006 and have issued our report thereon dated May 31, 2007. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise Wasatch County's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended for the information of management, federal awarding agencies, pass-through entities and the Utah State Auditor's Office and is not intended to be and should not be used by anyone other than these specified parties.

*Hawkins Cloward & Simister, LC*  
HAWKINS CLOWARD & SIMISTER, LC  
CERTIFIED PUBLIC ACCOUNTANTS

May 31, 2007

## **WASATCH COUNTY**

### **Schedule of Findings and Questioned Costs – Current Year**

December 31, 2006

#### **A. Summary of Audit Results**

1. The auditors' report expresses an unqualified opinion on the basic financial statements of Wasatch County.
2. Significant deficiencies and material weaknesses relating to the audit of the financial statements are reported in the Report on Compliance and on the Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*. There were no significant deficiencies or material weaknesses.
3. No instances of noncompliance material to the financial statements of Wasatch County were disclosed during the audit.
4. There were no significant deficiencies or material weaknesses identified in the internal control over major programs of Federal Awards.
5. The auditor's report on compliance for the major federal awards programs for Wasatch County expresses an unqualified opinion.
6. There were no audit findings relative to the major federal award programs for Wasatch County.
7. The programs tested as major programs were the Special Supplemental Food Program For Women, Infants and Children CFDA No. 10.557 and the Centers for Disease Control and Prevention – Investigations and Technical Assistance CFDA No. 93.283.
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. Wasatch County was determined to be a low-risk auditee.

#### **B. Findings – Financial Audit Current Year**

There were no findings.

#### **C. Current Year Status of Prior Year Findings**

There were no findings.

# **WASATCH COUNTY**

## Schedule of Expenditures of Federal Awards

For The Year Ended December 31, 2006

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Direct or Pass-Through Grantor's Number	Program Expenditures
<b><u>U.S. Department of Agriculture</u></b>			
Passed Through Utah Department of Health, Public Health Services:			
Special Supplemental Food Program for Women, Infants and Children - Food Funding	10.557	07-0824	50,646
Special Supplemental Food Program for Women, Infants and Children - Administrative Funding	10.557	07-0824	22,486
Special Supplemental Food Program for Women, Infants and Children - Food Funding	10.557	06-0812	149,186
Special Supplemental Food Program for Women, Infants and Children - Administrative Funding	10.557	06-0812	88,367
			<u>310,685</u>
Passed Through the State Department of Natural Resources: Schools and Roads - Grants to Counties	10.666	NONE	72,265
<b>TOTAL DEPARTMENT OF AGRICULTURE</b>			<u><b>382,950</b></u>
<b><u>U.S. Department of Justice</u></b>			
Passed through the Utah Department of Public Safety:			
Cops In School Grant	16.000	2002SHWX0604	8,852
Five County COPS Methamphetamine Grant	16.000	2005CKWX0286	138,643
Five County COPS Technology Grant	16.000	2005CKWX0433	59,024
			<u>206,519</u>
Enforcing Underage Drinking Laws Program	16.727	OJJ5-J157	7,118
			<u>7,118</u>
Crime Victims Assistance	16.575	04 VOCA 54	28,396
Crime Victims Assistance	16.575	04 VOCA 54	8,945
			<u>37,341</u>
Passed through the Utah Commission on Criminal and Juvenile Justice:			
Bulletproof Vest Partnership Program Grant	16.607	N/A	639
<b>TOTAL DEPARTMENT OF JUSTICE</b>			<u><b>251,617</b></u>
<b><u>U.S. Department of Homeland Security</u></b>			
Passed through the Utah Department of Public Safety:			
Homeland Security Grant	97.004	DES-2004-SHSP-002	70,977
Homeland Security Grant	97.004	DES-2004-LETP-002	21,001
Homeland Security Grant	97.067	DES-2005-SHSP-002	89,237
Homeland Security Grant	97.067	DES-2005-LETP-002	49,076
			<u>230,291</u>
<b>TOTAL DEPARTMENT OF HOMELAND SECURITY</b>			<u><b>230,291</b></u>
<b><u>U.S. Department of Transportation</u></b>			
Passed through the Utah Department of Public Safety:			
Highway Safety Project	20.600	CP06-02-12	15,704
Highway Safety Project	20.600	CP07-02-10	4,275
			<u>19,979</u>
<b>TOTAL DEPARTMENT OF TRANSPORTATION</b>			<u><b>19,979</b></u>

# **WASATCH COUNTY**

## Schedule of Expenditures of Federal Awards

For The Year Ended December 31, 2006

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Direct or Pass-Through Grantor's Number	Program Expenditures
<b><u>U.S. Environmental Protection Agency</u></b>			
Passed through the West Virginia University Research Corporation:			
National Onsite Demonstration Project - Phase VII	66.000	84-430G-WCHD	9,366
			<u>9,366</u>
Passed through the Utah Department of Environmental Quality:			
LHD Environmental Services	66.605	05-0569	3,739
LHD Environmental Services	66.605	05-0569	2,547
			<u>6,286</u>
<b>TOTAL ENVIRONMENTAL PROTECTION AGENCY</b>			<u>15,652</u>
<b><u>Federal Emergency Management Agency</u></b>			
Passed through the Utah State Division of Comprehensive Emergency Management:			
Emergency Management - State and Local Assistance	97.042	SLA-2005-DES-0026	7,000
<b>TOTAL FEDERAL EMERGENCY MANAGEMENT AGENCY</b>			<u>7,000</u>
<b><u>U.S. Department of Health and Human Services</u></b>			
Passed Through Mountainland Association of Governments:			
Special Programs for Aging, Title III, Part C, Nutrition Services	93.045	NONE	19,014
Special Programs for Aging, Title III, Part C, Nutrition Services	93.045	NONE	22,999
			<u>42,013</u>
Title XX for Drug and Alcohol	93.667	NONE	1,435
Title XX for Drug and Alcohol	93.667	NONE	332
			<u>1,767</u>
Passed Through Utah State Department of Human Services:			
Drug Free Schools	84.186	03-0784	3,615
			<u>3,615</u>
Bioterrorism-Hospital Preparedness Program	93.003	06-1651	11,431
			<u>11,431</u>
Block Grants for Community Mental Health Services	93.958	05-2463	21,900
			<u>21,900</u>
Block Grants for Prevention and Treatment of Substance Abuse	93.959	05-2465	98,992
Block Grants for Prevention and Treatment of Substance Abuse	93.959	05-2465	33,543
			<u>132,535</u>
TB Elimination Cooperative Agreement	93.116	04-1821	1,506
			<u>1,506</u>
Immunization Program	93.268	06-2158	20,766
Immunization Program	93.268	06-2158	21,516
Immunization Program - Vaccine	93.268	NONE	103,094
			<u>145,376</u>



# **WASATCH COUNTY**

## Schedule of Expenditures of Federal Awards

For The Year Ended December 31, 2006

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Direct or Pass-Through Grantor's Number	Program Expenditures
Centers For Disease Control and Prevention - Investigations and Technical Assistance	93.283	06-1969	5,605
Centers For Disease Control and Prevention - Investigations and Technical Assistance	93.283	06-0137	4,606
Centers For Disease Control and Prevention - Investigations and Technical Assistance	93.283	06-1969	12,482
Centers For Disease Control and Prevention - Investigations and Technical Assistance	93.283	06-0137	22,404
Centers For Disease Control and Prevention - Investigations and Technical Assistance	93.283	07-1139	66,400
Centers For Disease Control and Prevention - Investigations and Technical Assistance	93.283	06-1934	39,544
Centers For Disease Control and Prevention - Investigations and Technical Assistance	93.283	06-0952	136,104
			<u>287,145</u>
Abstinence Education Block Grant Program	93.235	06-2158	2,451
Abstinence Education Block Grant Program	93.235	05-2468	8,215
			<u>10,666</u>
Medical Assistance Program	93.778	07-0711	528
Medical Assistance Program	93.778	07-0711	1,917
Medical Assistance Program	93.778	06-0323	343
Medical Assistance Program	93.778	06-0323	1,359
Consumer Education & Assistance	93.778	06-0323	769
Outreach Services - WCCHD	93.778	06-1653	780
			<u>5,696</u>
Preventive Health Services Sexually Transmitted Disease Control Grants	93.977	06-1595	298
			<u>298</u>
Preventive Health and Health Services Block Grant	93.991	06-1969	18,367
Preventive Health and Health Services Block Grant	93.991	06-0137	13,286
			<u>31,653</u>
Maternal and Child Health Services Title V Block Grant	93.994	06-2158	41
Maternal and Child Health Services Title V Block Grant	93.994	05-2468	826
Maternal and Child Health Services Title V Block Grant	93.994	06-2158	9,848
Maternal and Child Health Services Title V Block Grant	93.994	05-2468	9,848
Maternal and Child Health Services Title V Block Grant	93.994	06-1969	15,495
Maternal and Child Health Services Title V Block Grant	93.994	06-0137	1,262
			<u>37,320</u>
<b>TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			<u><b>732,921</b></u>
<b>Department of Interior - Bureau of Land Management</b>			
Law Enforcement on Forest Service Land	15.000	01-LE-11041810-009	21,390
Law Enforcement on Forest Service Land	15.000	01-LE-11046000-030	1,000
<b>TOTAL DEPARTMENT OF INTERIOR</b>			<u><b>22,390</b></u>
<b>TOTAL EXPENDITURES</b>			<u><b>\$ 1,662,800</b></u>

## WASATCH COUNTY

### Notes to Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2006

#### NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Wasatch County. Revenues are recognized in the accounting period that qualifying expenditures occur. Expenditures are recognized in the accounting period in which the fund liability is incurred and measurable. The information presented in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

#### NOTE 2 – NON-CASH ASSISTANCE

The County had expenditures of \$303,847 in non-cash assistance. The non-cash assistance is reported at the fair market value of the disbursed commodities. The non-cash assistance of \$199,832 was expensed out of the Special Supplemental Food Program for Women, Infants and Children – Food Funding and \$104,015 was expensed out of the Immunization – Vaccine Program.

#### NOTE 3 – LOANS OUTSTANDING

Loans outstanding at December 31, 2006, in federal programs:

U.S. Department of Agriculture Hospital Renovation Note	163,519
U.S. Department of Agriculture Garbage Truck Purchase	437,605
U.S. Department of Agriculture Solid Waste Revenue Bond	146,346
U.S. Department of Agriculture Public Safety Revenue Bond	98,871



# HAWKINS CLOWARD & SIMISTER

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## UTAH STATE COMPLIANCE REPORT BASED ON THE REQUIREMENTS, SPECIAL TESTS AND PROVISIONS REQUIRED BY THE STATE OF UTAH'S LEGAL COMPLIANCE AUDIT GUIDE

Honorable County Council Members  
Wasatch County  
Heber City, Utah

We have audited the basic financial statements of Wasatch County, for the year ended December 31, 2006, and have issued our report thereon dated May 31, 2007. As part of our audit, we have audited Wasatch County's compliance with the requirements governing types of services allowed or disallowed; eligibility; matching, level of effort, or earmarking; reporting; special tests and provisions applicable to each of its major State assistance programs as required by the State of Utah Legal Compliance Audit Guide for the year ended December 31, 2006. Wasatch County received the following major State assistance programs from the State of Utah:

B & C Road Funds (Department of Transportation)  
Liquor Law Enforcement (State Tax Commission)

The County also received the following nonmajor grants, which are not required to be audited for specific compliance requirements: (However, these programs were subject to test work as part of the audit of Wasatch County's financial statements.)

### Utah Department of Health

Indoor Clean Air Act  
EMS Grants Program  
TB Medication Program  
Cancer Control  
Consumer Education and Assistance  
Outreach Services - WCCHD

Tobacco Prevention and Control  
Environmental Health Services  
Minimum Performance Standards Grant  
Tobacco Compliance Checks  
Child Health Evaluation and Care Outreach

### Utah Department of Community and Economic Development

Public Library Service Development Grant

### Utah Department of Environmental Quality

Water Quality Contract  
Environmental Health Services

Utah Department of Agriculture and Food

State Coyote Bounty

Utah Office of the Attorney General

Children's Justice Center

Utah Department of Human Services

Substance Abuse Contract

Drug Court Grant

Mental Health Contract

MHE Data Reporting Requirements Grant

TEDS Data Reporting Requirements Grant

UT CAN Project

Domestic Violence

Utah Department of Technology Services

Cadastral Database Collection Grant

Utah Division of Parks & Recreation

W.A.D.E.N. Contract

Utah Department of Administrative Services

GIS Right-of-Way Mapping Grant

Utah Administrative Office of the Courts

Court X-Ray Machine Grant

Utah Office of Planning and Budget

Travel Demand Model Grant

Our audit also included test work on the County's compliance with those general compliance requirements identified in the State of Utah Legal Compliance Audit Guide, including:

Public Debt

Cash Management

Purchasing Requirements

Budgetary Compliance

Truth in Taxation and Property Tax Limitations

Liquor Law Enforcement

Justice Courts

Special Districts

Other General Compliance Issues

Department of Commerce

Statements of Taxes Charged, Collected, and Disbursed – Current and Prior Years

Assessing and Collecting of Property Taxes

Transient Room Tax

Impact Fees and Other Development Fees

Asset Forfeiture

Transient Room Tax  
Impact Fees and Other Development Fees  
Asset Forfeiture

Our audit also included test work on the County's compliance with the requirements identified in the State of Utah Legal Compliance Audit Guide, including:

Mental Health Contracts  
Substance Abuse Contracts

The management of Wasatch County is responsible for the County's compliance with all compliance requirements identified above. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures disclosed immaterial instances of noncompliance with the requirements referred to above which are described below.

## **A. CURRENT YEAR IMMATERIAL INSTANCES OF NONCOMPLIANCE**

### **Primary Government**

**1. Finding: TC-693**

The budgeted property tax revenues as reported on form TC-693 should be the same as the County's adopted budget.

**Recommendation:**

We recommend that, if necessary, the budgeted property tax revenues be amended by the County to agree with the properly completed form TC-693.

**County's Response:**

We agree with the finding and will implement the recommendation.

**2. Finding: Excess of Expenditures over Budget**

As reported in Note 8 of the Wasatch County financial statements, the incurred actual expenditures exceeded the budgeted expenditures in several funds/departments.

**Recommendation:**

We recommend the County monitor expenditures monthly to stay within departmental budgeted amounts.

**County's Response:**

We agree with the finding and will implement the recommendation.

**3. Finding: Deficit Fund Positions**

State law requires that none of the County funds be in a deficit position at the end of the fiscal year. The Parks and Recreation Special Revenue Fund was in a deficit position at 12/31/06.

**Recommendation:**

We recommend the County explore ways to generate sources of net income to restore the fund balance to a positive amount.

**County's Response:**

We agree with the finding and will implement the recommendation.

**4. Finding: Advertising for Bid Proposals**

The advertising requirements for requesting bids for some of the Class B & C Road fund projects were not followed.

**Recommendation:**

Either advertise at least once a week for three weeks or post a notice in five public places for 20 days as required.

**County's Response:**

We agree with the finding and will implement the recommendation.

## **COMPONENT UNITS**

### **Wasatch County Fire Protection Special Service District**

**5. Finding: Fund Balance Limitations**

With respect to the general fund only, State law restricts the accumulated fund balance to the greater of 100% of current year's property tax or 25% of the total general fund's revenues, if the annual general fund budget is greater than \$100,000. The general fund balance exceeded this limitation.

**Recommendation:**

We recommend the District Board authorize the administrative staff to transfer funds from the general fund in the amount necessary to maintain compliance with State limitations.

**District's Response:**

The instance of noncompliance was due to the timing of the purchase of a new fire truck. The truck purchase was prepaid; however, title for the truck will not be received until

2007. Thus the expenditure was not recorded in the general fund. Had the title been transferred with the prepayment, the District would be in compliance. We agree with the finding and will implement the recommendation, insofar as possible, to prevent noncompliance in the future.

**B. CURRENT STATUS OF PRIOR YEAR IMMATERIAL INSTANCES OF NONCOMPLIANCE**

**PRIMARY GOVERNMENT**

**1. Finding: TC-693**

The budgeted property tax revenues as reported on form TC-693 should be the same as the County's adopted budget.

**Status:**

See current year finding #1.

**2. Finding: Excess of Expenditures over Budget**

As reported in Note 8 of the Wasatch County financial statements, the incurred actual expenditures exceeded the budgeted expenditures in several funds/departments.

**Status:**

See current year finding #2.

**3. Finding: Deficit Fund Positions**

State law requires that none of the County funds be in a deficit position at the end of the fiscal year. The Parks and Recreation Special Revenue Fund was in a deficit position at 12/31/05.

**Status:**

See current year finding #3.

**COMPONENT UNITS**

**North Village Special Service District**

**4. Finding: Deficit Position**

For the year ended December 31, 2005, North Village SSD was in a deficit position.

**Status:**

Prior year finding has been resolved.

We considered the current year instances of noncompliance in forming our opinion on compliance, which is expressed in the following paragraph.

In our opinion, Wasatch County, Utah complied, in all material respects, with the general compliance requirements identified above and the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; and special tests and provisions that are applicable to each of its major State assistance programs for the year ended December 31, 2006.

*Hawkins Cloward & Simister, LC*

HAWKINS CLOWARD & SIMISTER, LC  
CERTIFIED PUBLIC ACCOUNTANTS

May 31, 2007



**WASATCH COUNTY**  
**Schedule of Expenditures of**  
**Transient Room Taxes and**  
**Tourism, Recreation, Culture, and Convention Facilities Taxes**  
**December 31, 2006**

**Transient Room Taxes (TRT):**

Establishing and promoting:		
Recreation	27,800	
Tourism	145,000	
Film production		
Conventions		
Total		172,800
Acquiring, leasing, constructing, furnishing, or operating:		
Convention meeting rooms		
Exhibit halls		
Visitor information centers	69,065	
Museums		
Related facilities		
Total		69,065
Acquiring or leasing land required for or related to		
Convention meeting rooms		
Exhibit halls		
Visitor information centers		
Museums		
Related facilities		
Total		0
Mitigation costs		
Payment of principal, interest, premiums, and reserves on bonds		61,813
Total expenditures of transient room taxes		303,678

**Tourism, Recreation, Culture, and Convention Facilities Taxes (TRCC):**

Financing tourism promotion		50,000
Development, operation, and maintenance of:		
Tourist facilities	150,000	
Recreation facilities		
Cultural facilities		
Convention facilities		
Pledges as security for evidences of indebtedness		
Total		150,000
Total expenditures of tourism, recreation, culture, and convention facilities taxes		200,000

**Reserves and Pledges:**

	Additions During		
	January 1, 2006	2006	December 31, 2006
Reserves on bonds related to TRT funds:	11,529	197	11,726
Pledges as security for evidences of indebtedness related to TRCC	0	0	0